

Railway Age

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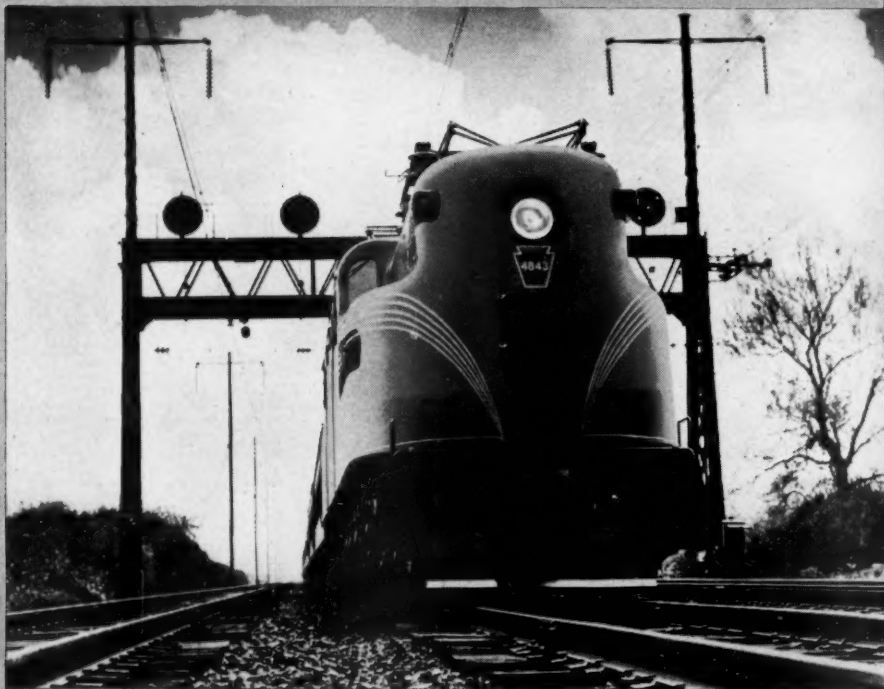
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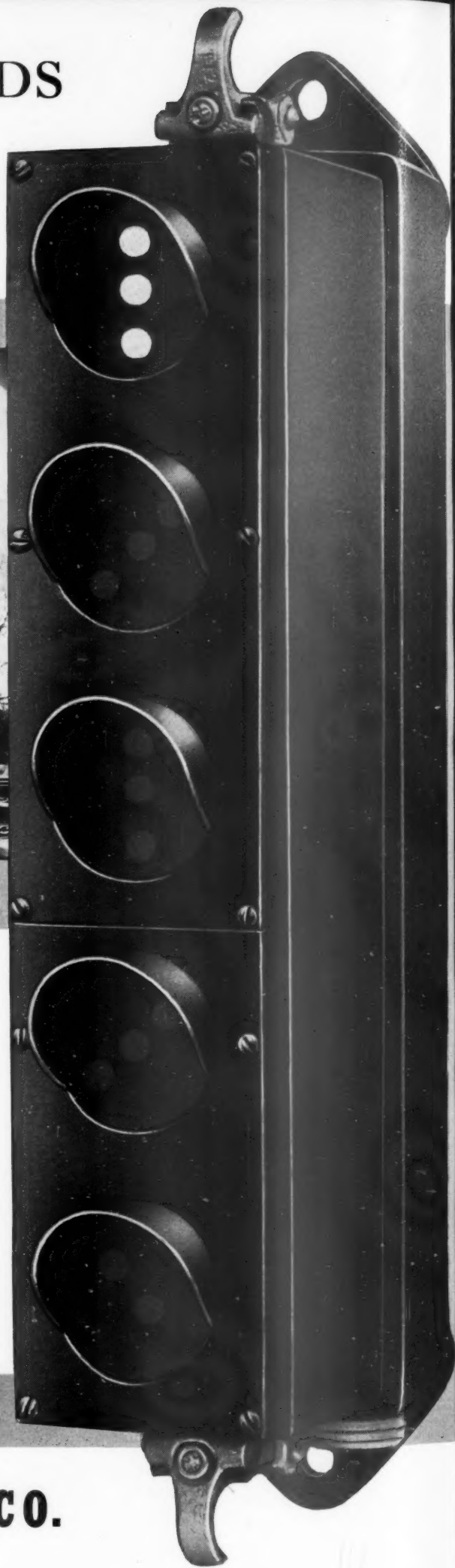
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The Economic and Political Problems of Business

The *Railway Age* has made many criticisms of New Deal economic policies, but it has never failed to recognize that *business*, as well as government and organized labor, has been responsible for the present depression and its long continuance. The magazine "Fortune" in its June issue, tells some plain truths about business. "As representing the capitalist economy," says "Fortune," "business has an obligation to build a workable economy. But by 1932 it was evident that it had failed to do this. . . . So business is confronted with a realistic political fact, viz., that a majority of the American people, with a penniless third as a nucleus, are beginning to measure the virtue of their government mainly in terms of the guarantees it makes concerning their incomes. . . . Today, although there is scarcity on every hand, modern industry limits its production, and, although the demand is slight, it raises or maintains boomtime prices. . . . It should in future be the object of business, not to obstruct government intervention at any cost, but to see to it that the intervening government is enlightened in economic matters. . . . There are, of course, two alternatives. If the present system is allowed to work badly enough for long enough it is conceivable that the people will rise up against the principle of capitalism and abolish it in favor of public ownership of industry and finance."

What is the Answer of Business?

There are many projects now for increasing "public relations" work on behalf of business, especially big business. Most of those promoting them apparently believe their purpose should be to convince the public that business is almost perfect. But, fortunately or unfortunately, most of the public remembers that the present depression began, reached bottom, and lasted three years before the New Deal began. It naturally asks why this was. Most business was about as free from government interference from the end of the war to 1929 as it ever was. The outstanding exception was the railroads, which during these years were subject not only to regulation, but to rapidly increasing government-subsidized competition which most other kinds of business helped promote. A large part of the public naturally asks why, when most business was virtually free from government interference, it did, or at least did not prevent, the things that caused the first three years of the depression.

The silence of most spokesmen of business regarding

that question raises a suspicion that they are deliberately evading it because they cannot answer it without confessing the economic unsoundness of some of the important pre-depression policies of business. But if important pre-depression policies of business were economically unsound, with what consistency or benefit to business or the public can spokesmen of business confine themselves to discussion of the economic policies of the New Deal? It is a natural inference, when they do this, that business either does not know it made serious mistakes or refuses to admit them, and offers the public no choice excepting between the same policies of business that prevailed before the depression and the policies of the New Deal that have prevailed during five years of it. Confronted, apparently, with only this choice, a majority of the public may decide it had just as well keep the New Deal.

Business criticises the Roosevelt administration for not admitting its mistakes and changing its policies which have protracted the depression. But has business admitted any of its mistakes and given assurance of changes in any of its policies which helped cause the depression? We have never read or heard any such admissions or assurances from any source authorized to speak for business as a whole, or for Big Business only, or for any large industry.

Unless business has something more persuasive to offer the public than attacks on the New Deal and claims that the policies of business itself have been virtually perfect, its public relations efforts are not likely to be very fruitful.

Technical Progress Versus Economic Progress

It is easily demonstrable that there has been much less economic progress in this country in the twenty years since the war than there was in the twenty years preceding it. This slowing of economic progress was evident in the decade preceding the crash in 1929; and there has been retrogression since. Those who will deny this fail to distinguish between *technical* progress and *economic* progress. If an industry largely increases its output per man-hour many spokesmen of business call it economic progress. But suppose that, after increasing its output per man-hour 50 per cent, an industry produces and sells no more than before. The result in that one industry, if there is no reduction of working hours, is to throw 33 per cent of its employees out of work. It may be replied that those displaced will

get employment in other industries. But suppose they do not. Suppose there is corresponding increase of output per man-hour without increase of total production in many industries, and that in consequence few or none of the men displaced get work elsewhere. Plainly, we then have *technical* progress without *economic* progress. For the entire population of a country *economic* progress must consist of (1) *technical* progress causing increase in output per man-hour, accompanied by (2) provision of employment for all who want to work, resulting in (3) increase proportionate to the technical progress made, in the *total volume of goods produced and sold*.

The Decline of Economic Progress

During most of this country's history before the war we had all these three elements of economic progress. During the period after the war ending with 1929, we had continuance, and perhaps acceleration, of technical progress, but, contrary to the belief of many persons, it was not accompanied by as full maintenance of employment or as large increase of total production and sales as before the war. Finally came the crash of 1929, since which there has been some technical progress, but complete failure to even restore, much less increase, total employment and production. The best single measure of the total volume of production, construction and commerce is the total amount of freight traffic handled. Between 1896 and 1916 the freight business of the railways increased 260 per cent. Between 1916 and 1936 the freight business of the railways and trucks combined increased only about 25 per cent, or relatively only one-tenth as much. The increases of population in the two periods were just about equal.

Failures of Both Business and the New Deal

Business before the depression, and the New Deal during the depression, have made the same failure—that of not enlarging adequately the markets for all the goods that the country's agriculture, industry and labor can and should produce. The *potential* markets of our agriculture and industry are both domestic and foreign. Our *potential* domestic market is very much the largest single market in the world. If our *potential* domestic and foreign markets had been enlarged in proportion to our technical progress before the depression, then the depression, with its terrific decline of employment and production, would not have occurred. What explanation have spokesmen of business to offer for the fact that the needed enlargement of the actual marketing of the products of our agriculture and industry needed to prevent the depression did not occur? The New Dealers have an answer. It is that the coming of the depression was due to failure of business adequately to increase mass purchasing power; that the efforts of the New Deal, because inadequately supported by business,

to increase mass purchasing power have been insufficient; and that the only way to accomplish recovery and prevent future depressions is to pass along enough of the total national income to the masses adequately to increase and maintain mass purchasing power.

The answer of the New Deal has a strong appeal to a large majority of voters for a perfectly obvious reason. What is the answer of business? As "Fortune" intimates, the answer of business, if it is to serve, must be an economic one with a stronger political appeal than that of the New Deal, for the future economic policies of government are going to be determined by the way in which a majority of the people vote. When spokesmen of business reply to spokesmen of the New Deal merely by referring to the economic progress formerly made under democratic government and free private enterprise, the effect is largely or wholly nullified by reversion of the minds of a large part of the people to the failure of these systems to prevent the first three years of the great depression.

How About the Customers?

Business must find a better answer than it has thus far made for economic as well as political reasons. It must find it for economic reasons because the very fact that the depression did come, reached bottom and lasted three years before the New Deal began, demonstrates that before the depression there was something radically wrong with the working of the system of free private enterprise, and that this something wrong must be remedied if there is to be accomplishment of recovery followed by a long period of real prosperity.

The real answer to the riddle of the causes of the depression and of its continuance is that business before the depression, and the New Deal administration, business and labor for five years, have largely ignored those who both temporarily and in the long run determine the working and results of every economic system—viz., the customers: those to whom all the products of agriculture and industry must be sold. These customers are the masses *and* business. Before the depression many large industries concerned themselves much more with trying to *control* their markets than with trying to enlarge them. Their method was that of "stabilizing" prices instead of constantly adjusting and readjusting them to increase *effective* demand for them. The principal customers whose effective demand for the products of industry was restricted by business before the depression were the rural population, which constitutes 40 per cent of the entire population and of our potential domestic market. The customer that the economic policies of the New Deal have principally ignored is *business*.

Business as a Customer

The production of durable goods amounted in 1929 to about 32 billion dollars, or 45 per cent of the total

goods produced. Of this amount some 20 to 25 billion dollars was bought by business as an investment, which was made either from profits or from capital raised by the sale of securities in the expectation of profits. The entire economy of the country has been geared for decades to a continuance of a huge annual investment of capital. Whatever causes a large reduction of this investment will cause a depression. Whatever prevents revival of it will prevent recovery. It did greatly decline, and in consequence we had the depression, because the business management of the country did not do what was necessary to enlarge or even maintain its markets. Why has it not revived? Because the New Deal administration, business and labor have followed policies tending to curtail profits.

The Railroad Situation an Illustration

The railroad situation strikingly illustrates the entire situation. Technical progress on the railways has been so great that between 1916 and 1936 output of traffic units per employee-hour increased more than 69 per cent. Meanwhile the increase in average hourly compensation was 144 per cent. There was no advance in railway rates remotely approaching the increase in average hourly compensation, and total freight traffic was slightly less in 1936 than in 1916. In consequence return earned per \$1 of investment declined from 5.9 cents in 1916 to 4.99 cents in 1926 and to 2.59 cents in 1936. The resulting railway financial condition clearly indicated that an increase in operating costs unaccompanied by a relatively much larger increase in gross earnings would further reduce railroad power to buy durable goods. Nevertheless, in accordance with the policies of the New Deal, the railways made advances in wages in 1937 at a time when business was declining. As a result last year net operating income per \$1 of investment declined to 2.27 cents and has further declined this year until the ability of the railways to buy durable goods has been almost destroyed. Meantime the number of railway employees has been reduced by about 200,000, with the result that there has been no increase even in the total purchasing power of railway employees. Here we have a very concrete illustration of (1) technical progress over a long period of years accompanied by (2) a large reduction of employment resulting in (3) a large reduction in the country's total production—constituting as a whole the absolute and complete negation of economic progress.

How Remedy the Situation?

What is the remedy? Obviously it is the adoption by government, business and labor of policies which will enlarge the effective demand and the markets for both consumable and durable goods. What remedies should be tried first? Obviously those which will stimulate the buying of durable goods. There was from the summer of 1935 to the summer of 1937 a large increase in

the effective demand and markets for consumable goods. It was the failure of the effective demand and markets for durable goods to revive that prevented recovery and caused within the last year the severe recession. How, then, stimulate the effective demand and market for durable goods? As business under conditions of prosperity buys about five-sixths of them, the obvious answer is, increase the incentive and ability of business to buy them. How do this? The example of the railroads affords one answer. Readjust costs downward in the railroad industry, thereby increasing net earnings, and there will result inevitably and immediately an increase in railroad buying of durable goods. The answer may not be the same for all the kinds of business whose buying of durable goods needs to be increased; but the solution of increased railway buying of durable goods is obviously such reduction of wages as is necessary to enable the railroads to increase their buying of them. The road to recovery in business as a whole is to do in each industry the things which are necessary to enable and stimulate it to increase its buying of durable goods.

Business is confronted with both political and economic problems. The only way in which it can solve its political problems is boldly and constructively to attack its economic problems. In doing so, it may and probably will encounter great political difficulties; but unless it so solves its economic problems as to put people to work and increase the country's total production, its political problems are likely to become more and more insoluble until private enterprise is completely supplanted by state socialism.

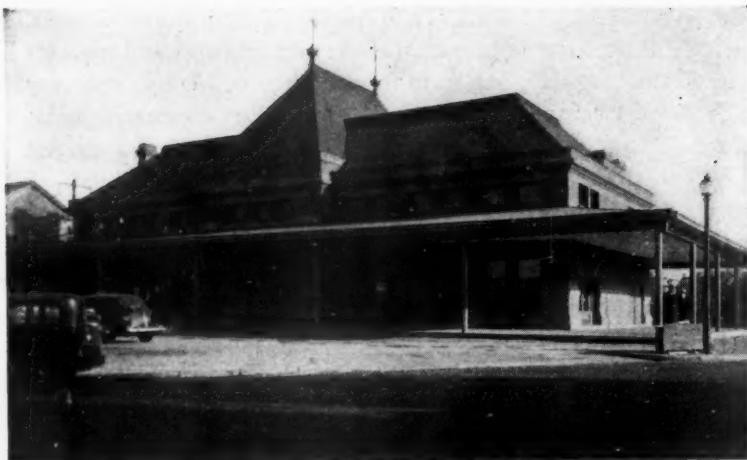
Labor Needs Protection from Its Leaders

"In looking over some of the proposals that now litter your desks, I find suggestions that 'the labor of a human being shall not be deemed an article of commerce' and that 'the essentials of food, clothing and shelter shall be a fundamental right, regardless of citizenship or duration of residence.' Along the same lines is the proposal that 'membership in a pension system is declared to be a contractual relationship, and entitled to protection as such.'

"Far be it from me to dispute the truth of any one of these declarations, but why, I ask, should a constitution declare the obvious and assert something that none deny. Within this state, and for years, both the Legislature and the courts have asserted the dignity of labor and indicated its rights. They will properly continue so to do.

"The dignity of labor stands in greater danger from some of its own leaders than from any other source. Due to the despotic power wielded by some of these men, the labor of human beings is now being treated as so many pounds of wheat, oats and rye. Instead of speaking honeyed words to labor, I should prefer that you protect it from the exploitation to which some leaderships now subject it."

Federal Judge Knox Addressing the N. Y. State Constitutional Convention—as Reported in the N. Y. Times



The Remodeling and Cleaning of the Exterior of the Old Station. Shown at the Right, Removed Much of the Stigma of the Old Building, as is Shown in the Photograph of the Remodeled Station Above



Modernization

THAT what has been done so widely and effectively in recent years in home, office building and store modernization is equally applicable to many railway buildings, and especially many old passenger stations, with large economy and benefit to the railways and to the public, is illustrated by the results that the Pennsylvania has secured through the modernization of its passenger station at Trenton, N. J. Prior to and during the early years of the depression, there was a civic movement for a new station at Trenton, which would have cost in excess of a million dollars. This movement was fully allayed by an expenditure of approximately \$200,000 for the repair, cleaning and improvement of the exterior of the old station, and the complete rearrangement and decoration of the interior to present the latest in new passenger station construction.

Old Facilities Adequate But Outmoded

The city of Trenton, with a population of approximately 125,000 and located on the main line of the road between New York City and Philadelphia, Pa., had a justifiable desire for improved passenger station facilities, a fact which was recognized by the railroad. The station, built in 1892, was well located and of adequate size, and of sound construction throughout, and even its general arrangement and track and platform facilities were not the subject of complaint, but it retained many of the ornate features of the Victorian era, long outmoded, and in many respects in clash with the streamlined simplicity of modern architecture and construction. Added to this, particularly as regards the interior, was the fact that the years of intensive use were reflected in the appearance and condition of the floors, toilets, counters and other facilities used by the public, and in these respects there was no way of remedying the situation short of providing completely new facilities or carrying out a major modernization project.

The facilities at Trenton prior to the recent work in-

cluded essentially the station building itself, located at the street level; a layout of six station tracks and seven other tracks, served by two long, high-level passenger platforms and one low-level passenger platform, all located in a wide cut at the rear of the station and more than 20 ft. below the waiting room floor; and a train or bridge concourse, 42 ft. wide, which extended for a distance of approximately 180 ft. over the nearest station tracks and connected by stairways to the two high track platforms. Other existing facilities included a relatively small open passage concourse connecting the passenger station proper with the bridge concourse; a two-story baggage room building toward the rear end of the station facilities; and a separate, enclosed, baggage bridge, parallel with the passenger bridge, and serving all three platforms with baggage elevators.

All of these facilities continue in the layout as modernized, and are largely unaltered, except as regards the station building itself and the connecting concourse, and except for a 175-ft. extension of the bridge concourse to the street level on the south side of the railroad cut, affording a new and convenient approach to and exit from the station and making possible a new and more convenient stairway connection to the low passenger platform at the track level.

General Appearance of Station Improved

The most striking changes in the facilities are embodied in the passenger station, particularly its interior. The building is of masonry and timber construction throughout, with a terra cotta-trimmed red brick exterior rising above a seven-foot Trenton brownstone base course; with a slate-surfaced truncated roof section each side of a slate-covered central peak, with terra cotta hip rolls and ornamental galvanized cap moldings and crown pieces; and with timber floor and ceiling joists and roof rafters. Like many station buildings of the same period, it is practically surrounded by a tin-roof, shed-type can-

Produces New Station Effect at Moderate Cost

Pennsylvania revises facilities at Trenton, N. J., with large saving over new construction

opy extending out over concrete platforms and supported at the curb lines on cast iron columns.

All of these general features remain in the remodeled station, but in many cases were altered to improve their appearance. For example, the entire face of the building was cleaned and brightened by a hydrofluoric acid-steam cleaning process; an awkward-looking, 4-ft. 4-in. overhang of the old canopy was cut back to 2 ft. and boxed in; the old spindly-looking 5-in. iron canopy-supporting columns, with ornamental caps, were replaced with plain wrought iron columns, 8 $\frac{5}{8}$ in. in diameter; and the formerly exposed underside of the canopy was closed in with a cement plaster ceiling, fitted at intervals with semi-recessed white globe lighting fixtures. Furthermore, all old wood window sash were replaced with steel sash; old massive wood exterior doors with glazed upper panels were replaced with full-glazed, green-metal-frame doors; an ornate double chimney at the most prominently exposed end of the station was removed; and new concrete platforms, devoid of the numerous air vault grillages in the old platforms, were provided around the building.

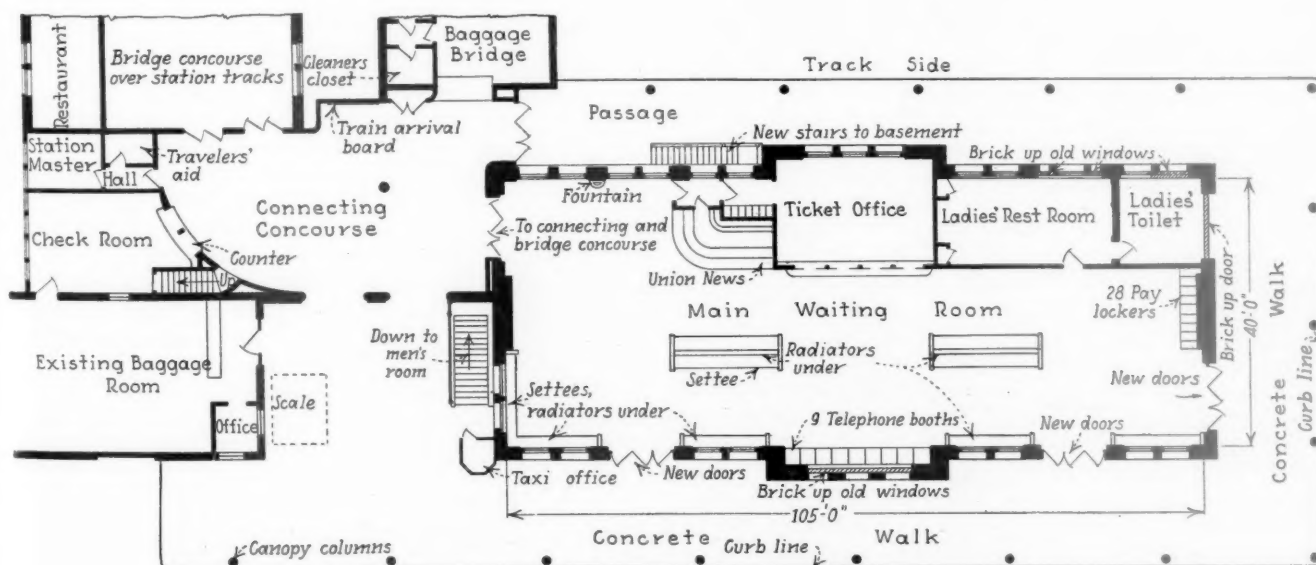
At the same time, old door and window openings closed as a result of the rearranged interior were faced up with brick, stone and terra cotta in harmony with the existing face materials; all trim, including the canopy

posts, was painted apple green; and to enhance as far as possible the general setting of the station, the slope of the cut along the entire rear of the building was regraded, sodded and shrubbed.

While all of these changes to or about the exterior of the station are not for the purpose of creating the impression that the building is actually new or of recent construction, they accomplish to a most creditable degree, the attempt made, at reasonable expenditure, to eliminate objectionable architectural features and to give the exterior and its surroundings a renewed appearance of freshness and cleanliness.

Old Interior Was Heavily Decorated

The outstanding improvements at the station, as already indicated, were made within the station proper, which, above the ground floor, consists of one large room, approximately 105 ft. long by 40 ft. wide, and 24 ft. high. Within this area, which, with low-ceiling partitioned areas for a ticket-office and for toilet and baggage checking facilities, was used essentially as a waiting room, the work done involved not alone the rearrangement and modernizing of these auxiliary facilities, but also the complete refinishing of the interior, including the floor, walls and ceiling. The floor of the waiting room consisted of a 2-in. concrete surface over the 1-in. hemlock boards of the original construction, and, while kept in repair, was far from in perfect condition. The walls and ceiling of the room, more than anything else, marked the age of the building, reflecting the period when massive paneled wainscoting and ceiling designs in wood were the keynote of decoration. Throughout the entire waiting room, except where interrupted by partitioned areas,



General Plan of the Rearranged and Modernized Waiting Room and Connecting Concourse



The Old Waiting Room Was Divided Into Two Parts and Was Heavily Decorated With Wood Paneling

the old wainscoting, extending to a height of $7\frac{1}{2}$ ft., was done in dark oak in waffle design, above which plaster-faced walls extended to an ornamental oak frieze and a coffered-type ceiling with heavily moulded boxed-in beams, and a continuous enclosure of small border panels. Adding to the outmoded appearance of the walls and ceilings were a large fireplace at one end of the room, elaborately faced with ornamental terra cotta, old-fashioned wall settees, exposed heating radiators, and board-faced area partitions.

New Interior Ultra-Modern

Within the modernized interior, all of these outmoded features or facilities have been removed and have been replaced with others in an architectural treatment of extreme simplicity in form and decoration, which, withal, are conducive to a high degree of sustained utility and sanitation. There is a new terrazzo floor surface in large rectangular block design of light green and gray, surrounded by a border and base cove in darker green. To a height of $4\frac{1}{2}$ ft., the old wood wainscoting was replaced by a continuous dado in $\frac{3}{4}$ -in. square tile, in three broad bands of shaded green to harmonize with the floor and with the color of all of the window frames and sash which are painted apple green. Above the dado, the walls, completely refaced with hard-surface plaster, are painted light buff, with no other ornamentation than a $2\frac{1}{2}$ -in. aluminum-color band capping the dado, and three large oil sketches on the front wall directly over the two main entrances and centrally between them, depicting the major forms of transportation.

In harmony with the wall treatment, the remodeled ceiling is in light buff tones, with the simplest of painted ornamentation, and while it retains its coffered effect, all of the old beam moldings have been boxed in to produce a smooth-surface, straight-line effect, and the small border panels have been replaced by a flat band. Adding further to the modern aspect of the room, one-half of the excessive number of old sectional wood-sash windows near the top of the walls were blocked out, and the remaining half, with their border panes of Venetian glass in a range of dull tints, were replaced with steel ventilating sash having single panes of frosted glass. At the same time, all lower double-hung wood sash were replaced with sectional ventilating steel sash, and all of the old wood doors were replaced with metal doors, many fully glazed, and provided with white metal kick plates.

All heating units within the waiting room are con-

cealed within the new settees, and all electrical lighting is indirect, accomplished without ceiling or projecting wall fixtures. All general lighting of the room is from lighting troughs at the sills of the high-level windows on both sides, while some diffused direct lighting is provided immediately over the wall settees from glass-covered inverted troughs forming the crown moldings of the window frames.

Layout of Auxiliary Facilities Revised

The changed aspect of the ticket office, newsstand, and women's rest and wash room facilities is equally as complete as the change in the general interior of the waiting room. Formerly, the ticket office, in a one-story enclosure, approximately 30 ft. long by 16 ft. deep, was located centrally along the front face of the room, while directly opposite, against the rear wall, a more or less similar enclosure was used as the stationmaster's office. These two facilities, providing a passage way of only about 12 ft. between them, divided the public area of the waiting room into two sections, which for many years were used separately by men and women. Adjoining the stationmaster's quarters at the women's end of the room were the women's rest room and wash room, occupying together an area approximately 36 ft. long by 12 ft. deep, while diagonally opposite in the men's section were relatively small built-in quarters which housed a newsstand and a Travelers' Aid office.

In rearranging the waiting room facilities there was an obvious attempt to give the room the aspect of one large area, with a minimum of floor obstruction, especially to passengers moving through the entrances to or from trains. With this aim in mind, the ticket office was transferred to the area assigned previously to the stationmaster, and there, in a tile-faced enclosure, 81 ft. long and only 10 ft. high, was included a modern women's rest room and wash room at one end, and an attractive-front newsstand at the other end, leaving the entire remaining floor area unobstructed, except for the two centrally located settees. Even the telephone booths in the new arrangement have been built into a recess in the front wall face, formerly included in the ticket office space.

Auxiliary Facilities Modernized

In every respect the new ticket office, women's facilities and newsstand are modern in appearance and in appointments. The ticket office, 24 ft. long by 16 ft. deep, has a plastered interior and a linoleum-covered floor, and provides three ticket selling spaces and an information space in a long four-section opening, equipped with individual window grillages flanked by low panels of frosted glass, and a continuous counter of black structural glass. Each sectional front of the ticket office is also equipped with an aluminum-painted rolling steel curtain whereby it can be closed to the public when not in use. All other metalwork about the ticket office, including the stiles between sections, the grillages, counter trim, a luggage rail and illuminated projecting designating markers, is either of or is faced with white metal.

The women's rest room is approximately 27 ft. long by 13 ft. deep, and has a pattern terrazzo floor, green tinted side walls, and a cream-color plastered ceiling. This room is furnished with chromium-trimmed, ceiling-hung lighting fixtures, and with modernistic furniture with chromium-plated tubular frames and red leather upholstery. The wash room immediately adjacent, occupying an area approximately 13 ft. by 13 ft., has a terrazzo floor and a plaster ceiling, similar to the rest

room, but its walls throughout, to the ceiling level, are faced with white structural glass. This room is provided with four Flushometer-type toilets enclosed by white structural glass partitions and enamel-faced steel doors, and has two modern china wash basins, with chromium-plated fixtures, directly below a large chromium-trimmed, plate glass mirror.

The newsstand occupies a space approximately 15 ft. long by 10 ft. deep, and is unusual only in that it has a rounded exposed corner and tiered display shelves and counters, and is provided with aluminum-painted rolling steel doors and removable sections for closing the entire sales front during those hours when no one is in attendance. Directly back of the news area is an obscured passageway serving both the news area and the ticket office, which provides space for seven steel lockers for the convenience of the ticket office employees.

Connecting Concourse Completely Refinished

Almost as striking as the changes brought about in the waiting room are those effected in the concourse joining the waiting room with the bridge concourse over the tracks. In a space approximately 70 ft. long by 24 ft. wide, which provided a 28-ft. unobstructed opening to an exposed area leading to the existing baggage room and to a departing taxicab space adjoining the front of the building, the entire interior was unfinished and was covered by a shed-type roof with exposed rafters.

In the renovation of this concourse, it was subdivided at one end to provide a parcel checking room, a station-master's office and a Travelers' Aid room; the wide exposed opening to the baggage and taxicab area was partially closed by side and center pylons to form two equal openings of approximately 8 ft., and the entire interior was refinished with a cement floor, plaster walls, and a suspended plaster ceiling. In harmony with the waiting room area, the floor is patterned in gray, while the walls and doors are in two shades of green, and the ceiling is painted a light buff.

Continued in their former location in order to avoid costly rearrangements, the men's wash and toilet facilities are located directly beneath the connecting concourse, and are approached by a stairway leading from the open area serving the baggage room and outbound taxicabs. However, the old facilities, occupying an area approxi-

mately 28 ft. long by 24 ft. wide, were completely modernized. This involved a new terrazzo floor, new wall facings of four-inch glazed tile, and a new plaster ceiling obscuring the formerly exposed floor joists of the concourse floor above. Furthermore, old flush-box toilets were replaced by modern toilets of the Flushometer type, enclosed with Tennessee marble partitions and enamel-finished steel doors, and all of the old wash basins and urinals were replaced with facilities of the latest design, with chromium-plated fixtures. Like the women's wash room, this room is provided with a large plate glass mirror enclosed by a chromium-plated frame.

Little was done to the bridge concourse over the tracks, which was adequately spacious, decorated and daylighted by side windows, but a most effective addition to this area was made in an extension, 175 ft. long by 15 ft. wide, completing the bridge passage over the railroad cut to an entrance and exit headhouse fronting on Walnut avenue. This extension, similar in construction to the existing bridge concourse, is of structural steel framing, with a composition floor and plastered walls and ceiling, and is enclosed by sheet metal siding and a sheet metal roof. In addition to providing a convenient entrance to and exit from the station on the south side of the tracks, this bridge extension also made it possible to provide a stairway direct to the low-level passenger platform, replacing a stairway to this platform from the baggage bridge.

Local Power House Also Modernized

In connection with the improvement of the passenger facilities at the station, an old steam power plant at the
(Continued on page 950)



Right, Above — The Relocated Ticket Office and News Stand Are Housed in a Low, Tile-Faced Enclosure

Right — Simplicity and the Use of Modern Finishes Give the Remodeled Interior a Striking Contrast With the Old



N. Y. O. & W. Restyles Summer Passenger Train

Striking effect achieved by the use of color on locomotive and coaches without changes in construction—Pleasing interiors attained by equally simple means

AN experiment in merchandising relatively short-haul passenger service will be inaugurated by the New York, Ontario & Western on June 24 when it installs its new summer train "The Mountaineer," between New York City and Roscoe, N. Y., a distance of 135 miles. The territory served is Sullivan County, N. Y., to which there is a heavy influx of summer residents and vacationists from New York City during the months of June to September, inclusive. Much of this travel is now by bus, jitney and private automobile. The railroad, although by no means the largest agency in the handling of this traffic, has enjoyed a volume of summer travel which suggests the possibility that it might be materially increased if special merchandising effort were to be put forth for its development.

As in most other plans for merchandising passenger service, the major factor is the equipment by which the service is to be performed. Neither the extent of the present revenue nor the financial resources of the railroad is sufficient to warrant a heavy expenditure either in the purchase of new equipment or in the rehabilitation of the existing passenger cars. Therefore, the trustee, F. E. Lyford, authorized a modest expenditure for refinishing the cars, both inside and outside, and the services of Otto Kuhler, consulting engineer of design, were enlisted to plan a distinctive scheme of decorative treatment. The result is a train which presents a striking and unified appearance from the pilot of the steam locomotive to the rear end of the observation platform, with the choice of colors somewhat circumscribed by the fact that it will operate over a line on which there are several tunnels. The repainted and redecorated equipment con-

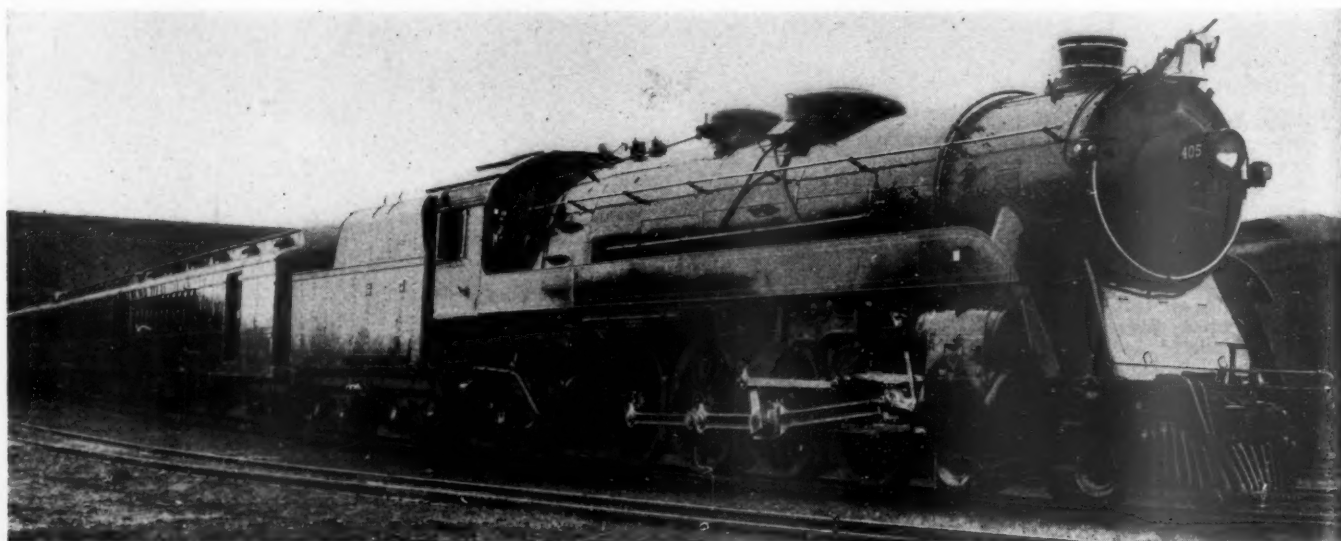


One of the 4-8-2 Passenger Locomotives Before Restyling

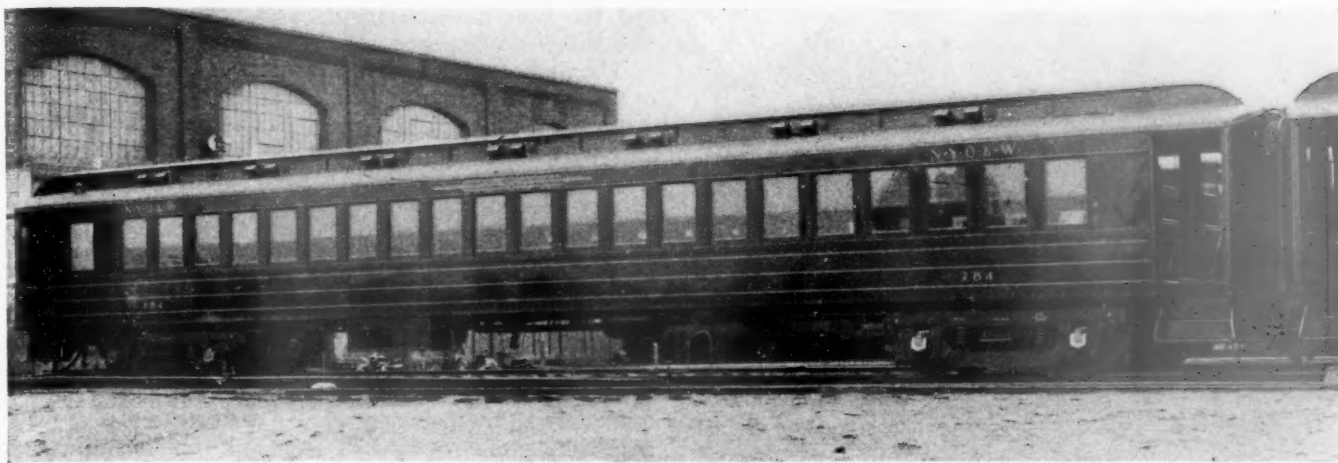
sists of a 4-8-2 type passenger locomotive, a combination baggage-passenger car, four coaches, and two observation-parlor cars. All cars are of steel construction.

Exterior Treatment of the Train

The exteriors of the passenger cars are finished in Ontario maroon (a special shade somewhat more brilliant than full-depth maroon) and black, relieved with orange striping and lettering. The maroon is employed on the letterboard and on the sides of the cars below the windows. Black is employed between the windows and on the window sash, so that they form a part of a



The Restyled Locomotive and Coaches



One of the Coaches After Refinishing

panel of unrelieved black extending from end to end of each coach. The roof, including the sides of the monitor, is also finished in black.

The sides of the car below the windows are relieved by three widely spaced 1-in. stripes in orange. The New York, Ontario & Western monogram with conventionalized wing decorations in orange is placed at the center of the letterboard on each side of each car, and near each end, in the same color, appear the initials of the railroad, with the coach number on the side of the car below the windows.

The black window panel terminates near the front end of the combination car in a circular curve and is decorated with the monogram and half wings in orange. At the rear end of each observation car the monogram and conventionalized wing decoration appear in the center of the hood below the platform roof and in the center of the tail gate. When in the new service a panel bearing the name of the train will be hung over the monogram on the tail gate. The ends of the vestibules of all cars are finished in black.



A Redecorated Coach Interior



The Refurnished Parlor-Observation Car

The only changes in the locomotive beyond the use of the train colors consists in the insertion of a flat plate between the pilot braces which closes the space between the bottom of the smokebox and the bumper casting, and the installation of skirts about 18 in. deep along the running boards at the sides of the boiler. Nevertheless, a striking appearance has been achieved by the use of the maroon, orange and black colors of the car exteriors and by the chromium plating of the locomotive bell, the hand rails and two bands around the stack. At the front of the locomotive the face of the bumper beam and the sloping plate between the pilot braces are finished in maroon, with the winged monogram in orange in the center of the sloping plate. The maroon color is repeated on the skirts along the running boards and on the driving-wheel centers. The maroon of the running-board skirts is relieved by orange stripes. Stripes of the same color have also been applied on the driving tires and around the driving-wheel hubs. The valve motion is polished. The



channels of the main and side rods are finished in maroon and the flanges are polished. The sides of the tender are finished in maroon with three orange stripes which line up with those on the sides of the cars. The inwardly rolled top of the coalspace sides is finished in black to conform with the coach roofs.

The Coach Interiors

The interiors of the coaches are no less notable than the exteriors for the pleasing effects which have been achieved with simple means. The resources of the road were inadequate to permit air conditioning the cars. Neither was it deemed advisable to spend the money necessary to replace the green upholstery of the walkover seats in the coaches, nor to replace the existing window curtains, all of which were in relatively good condition. The entire effect, therefore, has been produced by the use of color on the interior surfaces and the employment of slip covers over the backs of the seats. The floors and wainscoting of the cars are finished in tile red. This color is repeated on the seat pedestals and ends. The ends of the cars and the sides between and above the windows are finished in sandstone gray, a color which produces a markedly cool effect. The ceilings and center light fixtures are finished in ivory. Relieving, and contrasting with, the red and gray walls are black window sills and seat arm rests. A narrow edging of black is also applied at the sides of the window casings. The mahogany window sash are finished in natural color. Contrasting with the gray side walls is a wide stripe of tile red applied to the molding just above the windows and a similar stripe which has been applied to the bottom band of the window curtains. In both cases these stripes are painted on with the same material employed in finish-

ing the floor and lower side wall. The insides of the end doors are finished in maroon.

The light-tan slip covers are reversible and stream-styled monograms are printed on both sides in green. They are also provided with ticket tabs.

The sides and end walls of the two observation-parlor cars are finished in red mahogany, and the beauty of the original finish has been retained. The transom lights of leaded, colored glass over the tops of the side windows have been removed, however, and replaced by a simple pongee drape in a neutral tan. The floors have been newly covered with a gray jasper linoleum. The hand rails and hardware on these cars are chromium plated. These cars were originally fitted with rotating type chairs which have been removed and replaced by maple end tables and four styles of movable maple chairs with upholstered cushions, increasing the seating capacity from 26 to 30. The finish of the maple furniture harmonizes with the mahogany side walls, producing a two-tone effect.

Both observation cars will be utilized in the train. To avoid turning at the ends of the runs they will be coupled together with the observation platforms at opposite ends.

Uniforms, specially styled, are being provided for the crew of this train. The conductor's uniform will consist of the usual jacket, vest and trousers in dark blue. These will be worn with a maroon shirt and a black bow tie. The trainmen will wear maroon shirts with pleated breast pockets and black trousers with maroon stripes. Black zipper-closed wind breakers are provided for use when the weather requires. These are decorated with the winged monogram on the left breast. The porters in the parlor cars will wear washable maroon jackets and black trousers. The caps for all members of the crew have black bands and soft, pleated crowns of maroon.

"The Mountaineer," which will go into service on June 24, will leave Weehawken, N. J., at 11:47 a. m., with ferry connection departing from West Forty-second street, New York, 12 min. earlier. The schedule will require a run to Roscoe, with thirteen intermediate stops, in 4 hrs. 14 min. Returning, the train will leave Roscoe on week days at 6:00 p. m., with seven intermediate stops, arriving at Weehawken at 10:01 p. m. and at West Forty-second street, by ferry, 14 min. later. On Sundays the train will depart from Roscoe 30 min. later and arrive at Weehawken 38 min. later, with several additional stops.

* * *



Photo by Robert A. Carr

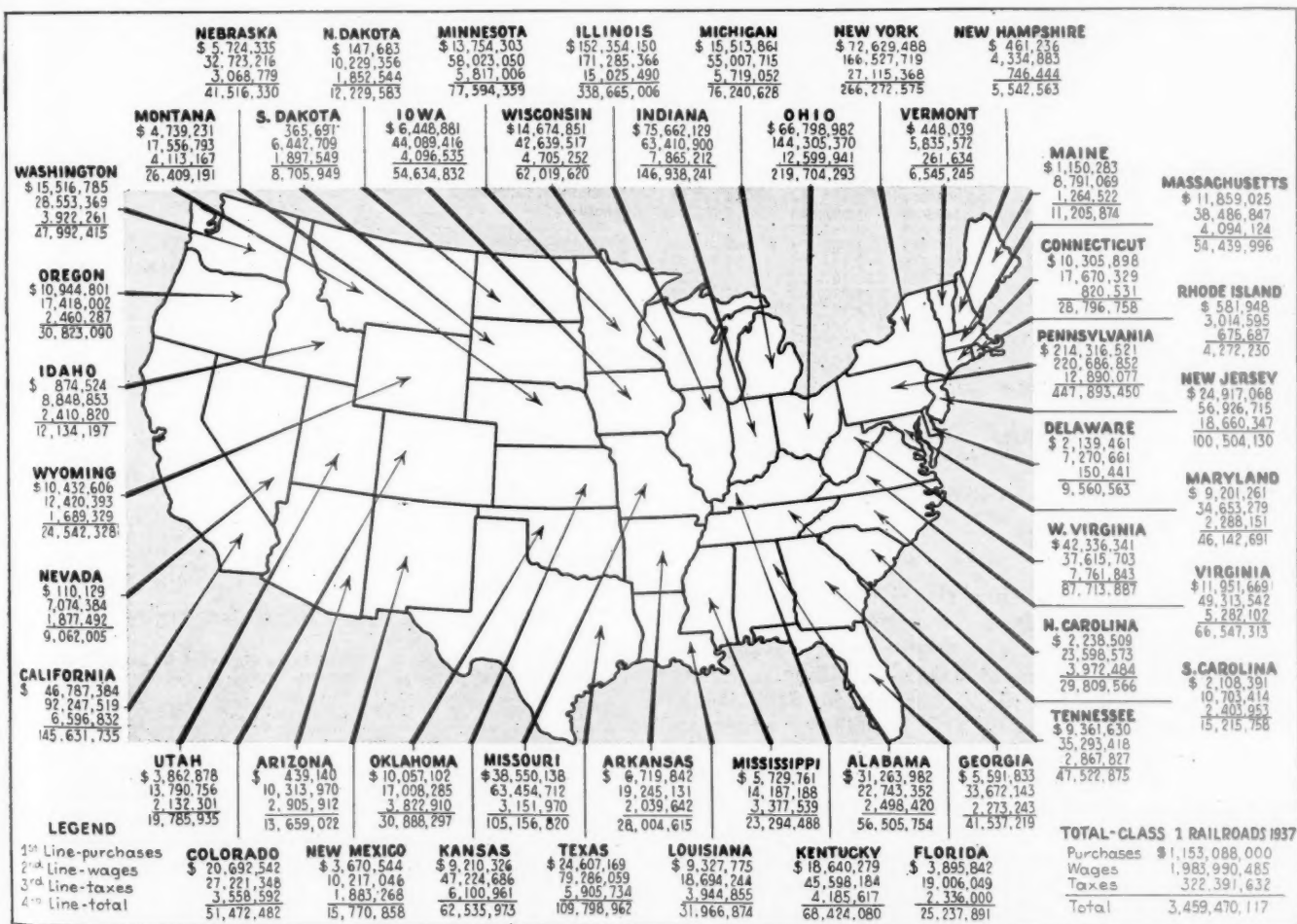
Junin Yards of the Buenos Aires & Pacific (Argentina)

Survey Yields New Facts On Railway Buying

Widespread effect of railway spending revealed by geographical analysis of purchases, payroll, and taxes—
Every state a gainer

APPROXIMATELY three billion five hundred million dollars was spent in this country last year by the railroads for purchases, wages and taxes; three hundred million dollars was spent for purchases off-line and every state in the Union received some of this money. These and other facts are shown by studies made to throw new light on the distribution of railway expenditures. The information supplements figures previously made public showing the aggregate expenditures made for various kinds of materials purchased by the railroads and the location of towns and cities in which the purchases were made, and comprises the most complete and detailed geographical distribution of purchases which has ever been undertaken and the first combined distribution of purchases, payrolls and taxes.

One hundred Class I railroads, operating 220,800 miles of road, reported the money spent by them in each state for purchases in 1937, and these reports were analyzed by this paper to show the money spent in each state by resident and non-resident railroads, the number of railroads which buy in each state, and the purchases made both on-line and off-line by each railroad. The purchases exclude expenditures made for materials and equipment by a few Class I railroads which prepared no reports, also sums spent by all of the railroads for heat, light, water, electrical energy, rent, payments for drayage and construction and other services, and thus understate rather than overstate the total purchases made in some states. They also disregard the indirect purchases made in some states for raw materials used by manufac-



Where the Railroads' Dollars Go

Chart showing the Expenditures made in Each State in 1937 by Class I Railroads for Purchases, Wages and Taxes—Excludes approximately \$103,000,000 of Undistributed Purchases and approximately \$95,000,000 of Undistributed and Federal Taxes

turers of railway supplies. So far as could be determined by each railroad, however, the expenditures are those made in the states in which the materials were produced.

Dollars in Every State

The figures definitely show that millions of dollars are spent annually in every state for purchases, as well as for wages and taxes. During 1937, by no means a nor-

Table I—Railway Purchases, Payrolls and Taxes in Each State—Class I Railroads

	Purchases* 1937	Wages† 1937	Taxes‡ 1936	Total
Alabama	\$31,263,982	\$22,743,352	\$2,498,420	\$56,505,754
Arizona	439,140	10,313,970	2,905,912	13,659,022
Arkansas	6,719,842	19,245,131	2,039,642	28,004,615
California	46,787,384	92,247,519	6,596,832	145,631,735
Colorado	20,692,542	27,221,348	3,558,592	51,472,482
Connecticut	10,305,898	17,670,329	820,531	28,796,758
District of Columbia	759,039	4,974,052	173,879	5,906,970
Delaware	2,139,461	7,270,661	150,441	9,560,563
Florida	3,895,842	19,006,049	2,336,000	25,237,891
Georgia	5,591,833	33,672,143	2,273,243	41,537,219
Idaho	874,524	8,848,853	2,410,820	12,134,197
Illinois	152,354,150	171,285,366	15,025,490	338,665,006
Indiana	75,662,129	63,410,900	7,865,212	146,938,241
Iowa	6,448,881	44,089,416	4,096,535	54,634,832
Kansas	9,210,326	47,224,686	6,100,961	62,535,973
Kentucky	18,640,279	45,598,184	4,185,617	68,424,080
Louisiana	9,327,775	18,694,244	3,944,855	31,966,874
Maine	1,150,283	8,791,069	1,264,522	11,205,874
Maryland	9,201,261	34,653,279	2,288,151	46,142,691
Massachusetts	11,859,025	38,486,847	4,094,124	54,439,996
Michigan	15,513,861	55,007,715	5,719,052	76,240,628
Minnesota	13,754,303	58,023,050	5,817,006	77,594,359
Mississippi	5,729,761	14,187,188	3,377,539	23,294,488
Missouri	38,550,138	63,454,712	3,151,970	105,156,820
Montana	4,739,231	17,556,793	4,113,167	26,409,191
Nebraska	5,724,335	32,723,216	3,068,779	41,516,330
Nevada	110,129	7,074,384	1,877,492	9,062,005
New Hampshire	461,236	4,334,883	746,444	5,542,563
New Jersey	24,917,068	56,926,715	18,660,347	100,504,130
New Mexico	3,670,544	10,217,046	1,883,268	15,770,858
New York	72,629,488	166,527,719	27,115,368	266,272,575
North Carolina	2,238,509	23,598,573	3,972,484	29,809,566
North Dakota	147,683	10,229,356	1,852,544	12,229,583
Ohio	66,798,982	140,305,370	12,599,941	219,704,293
Oklahoma	10,057,102	17,008,285	3,822,910	30,888,297
Oregon	10,944,801	17,418,002	2,460,287	30,823,090
Pennsylvania	214,316,521	220,686,852	12,890,077	447,893,450
Rhode Island	581,948	3,014,595	675,687	4,272,230
South Carolina	2,108,391	10,703,414	2,403,953	15,215,758
South Dakota	365,691	6,442,709	1,897,549	8,705,949
Tennessee	9,361,630	35,293,418	2,867,827	47,522,875
Texas	24,607,169	79,286,059	5,905,734	109,798,962
Utah	3,862,878	13,790,756	2,132,301	19,785,935
Vermont	448,039	5,835,572	261,634	6,545,245
Virginia	11,951,669	49,313,542	5,282,102	66,547,313
Washington	15,516,785	28,553,369	3,922,261	47,992,415
West Virginia	42,336,341	37,615,703	7,761,843	87,713,887
Wisconsin	14,674,851	42,639,517	4,705,252	62,019,620
Wyoming	10,432,606	12,420,393	1,689,329	24,542,328
Canada, etc.	1,818,109	8,354,181	1,117,387	11,289,677
Undistributed	132,481,605	2,536	132,484,141
Federal	94,007,783	94,007,783
State Total ..	\$1,049,875,286	\$1,975,636,304	\$227,263,926	\$3,252,775,516
Grand Total ..	\$1,153,088,000	\$1,983,990,485	\$322,391,632	\$3,459,470,117

* Materials, supplies and equipment, *Railway Age*.

† Wages, Bureau of Railway Economics.

‡ I. C. C. 1937 not available.

mal year of railway buying, the railroads spent \$214,316,000 in Pennsylvania for materials and equipment, \$220,686,000 for wages, and approximately \$12,890,000 for taxes—a total of \$447,893,000. In Illinois, the second most favored state, the railroads spent \$152,354,000 for materials and equipment, \$171,285,000 for wages, and approximately \$15,025,000 for taxes—a total of \$338,665,000. In New York, the third most favored state, the railroads spent \$72,630,000 for purchases, \$166,527,000 for wages, and \$27,115,000 for taxes—a total of \$266,273,000; while Ohio received \$66,798,000 last year for purchases, \$140,305,000 for wages, and \$12,599,000 for taxes—a total of \$219,704,000.

In New England, the state of Massachusetts received \$11,859,000 from railway purchases, \$38,486,000 from wages, and \$4,094,000 from taxes—a total of \$54,440,000; while Connecticut received \$10,306,000 in pur-

chases, \$17,670,000 in wages, and \$820,000 in taxes—a total of \$28,796,758. In the south, Kentucky received at least \$18,640,000 in purchases, \$45,598,000 in wages, and \$4,185,000 in taxes—a total of \$58,424,000; while Louisiana received at least \$9,328,000 from purchases, \$18,694,000 from wages, and \$3,945,000 from taxes—a total of \$32,967,000.

In the Northwest, Minnesota benefited directly from railway expenditures to the extent of \$13,754,000 for purchases, \$58,023,000 in wages, and \$5,817,000 in taxes—a total of \$77,594,000. Wisconsin received \$14,675,000 in purchases, \$42,639,000 from wages and \$4,705,000 from taxes—a total of \$62,020,000; and Washington state got \$15,517,000 from purchases, \$28,553,000 from wages, and \$3,922,000 from taxes—a total of \$47,992,000.

In Iowa the figures were \$6,449,000 for materials and equipment, \$44,089,000 for wages, and \$4,096,000 for taxes—a total of \$54,635,000. In California \$46,787,000

Table II—Purchases in Each State by Resident and Non-Resident Railroads—1937*

State	Total Distributed	Resident Roads	Non-Resident Roads
Alabama	\$31,263,982	\$25,256,786	\$6,007,196
Arizona	439,140	434,407	4,733
Arkansas	6,719,842	5,300,340	1,419,502
California	46,787,384	44,775,327	2,012,057
Colorado	20,692,542	17,132,608	3,559,934
Connecticut	10,305,898	3,497,812	6,808,086
District of Columbia	759,039	626,968	132,071
Delaware	2,139,461	1,463,253	676,208
Florida	3,895,842	2,473,842	1,422,000
Georgia	5,591,833	4,280,498	1,311,335
Idaho	874,524	849,796	24,728
Illinois	152,354,150	111,448,495	40,905,655
Indiana	75,662,129	33,935,541	41,726,588
Iowa	6,448,881	5,823,809	625,072
Kansas	9,210,326	8,347,009	863,317
Kentucky	18,640,279	14,857,569	3,782,710
Louisiana	9,327,775	7,975,742	1,352,033
Maine	1,150,283	727,912	422,371
Maryland	9,201,261	6,611,989	2,589,272
Massachusetts	11,859,025	6,461,019	5,398,006
Michigan	15,513,861	9,029,105	6,484,756
Minnesota	13,754,303	11,989,303	1,765,000
Mississippi	5,729,761	4,530,558	1,199,203
Missouri	38,550,138	32,546,234	6,003,904
Montana	4,739,231	4,729,019	10,212
Nebraska	5,724,335	5,543,042	181,293
Nevada	110,129	102,269	7,860
New Hampshire	461,236	362,656	98,580
New Jersey	24,917,068	14,785,515	10,131,553
New Mexico	3,670,544	3,655,436	15,108
New York	72,629,488	43,036,351	29,593,137
North Carolina	2,238,509	1,960,380	278,129
North Dakota	147,683	145,244	2,439
Ohio	66,798,982	41,247,421	25,551,561
Oklahoma	10,057,102	9,284,356	772,746
Oregon	10,944,801	7,635,609	3,309,192
Pennsylvania	214,316,521	135,924,136	78,392,385
Rhode Island	581,948	113,110	468,838
South Carolina	2,108,391	1,487,656	620,735
South Dakota	365,691	357,776	7,915
Tennessee	9,361,630	7,972,495	1,389,135
Texas	24,607,169	20,012,586	4,594,583
Utah	3,862,878	3,764,643	98,235
Vermont	448,039	218,633	229,406
Virginia	11,951,669	10,444,698	1,506,971
Washington	15,516,785	11,522,931	3,993,854
West Virginia	42,336,341	19,863,588	22,472,753
Wisconsin	14,674,851	10,821,564	3,853,287
Wyoming	10,432,606	10,250,240	182,366
Foreign (Canada, etc.) ..	1,818,109	1,818,109
Total	\$1,051,693,395	\$725,617,276	\$326,076,119

* Material and Equipment. Distribution Reported by Class I Railroads Operating 220,813 Miles of Road. See Table IV for Missing Roads.

was spent by the railroads last year for materials and equipment, \$92,247,000 for wages, and \$6,596,000 for taxes—a total of \$145,632,000; and in Texas \$24,607,000 was spent for purchases, \$79,286,000 for wages, and \$5,905,000 for taxes—a total of \$109,799,000.

Widespread Buying Off Line

Not only do the reports show that all the states received large sums out of the aggregate expenditures made

Table III—Where 100 Railroads Made Purchases in 1937

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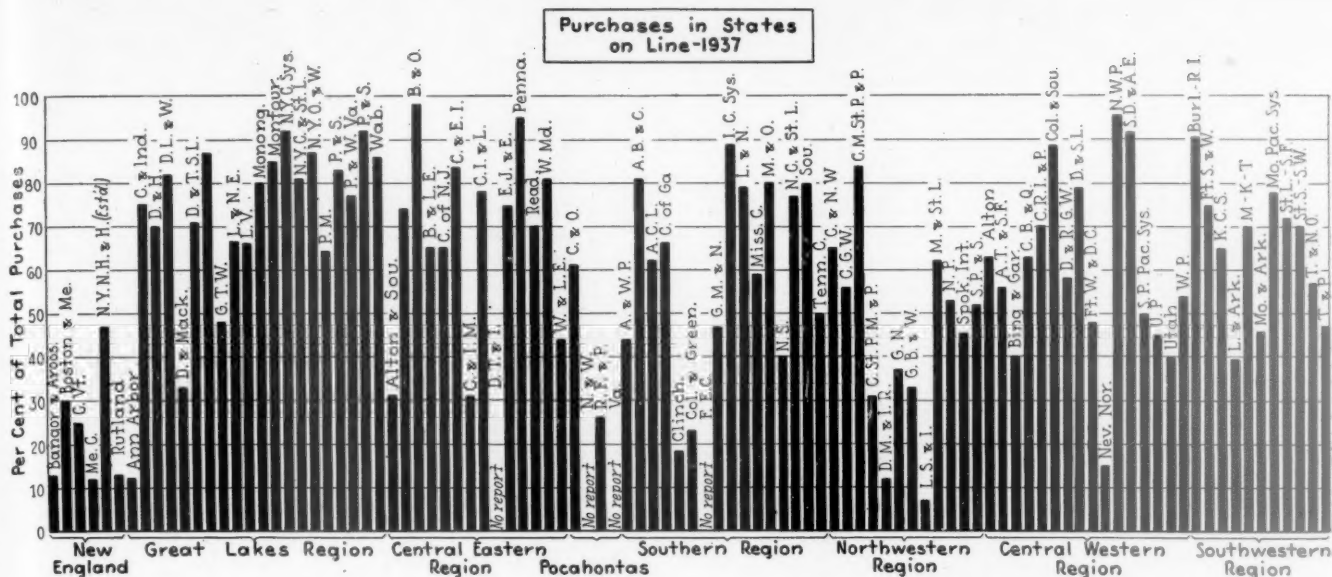


Chart showing the Extent to which Each Railroad's Purchases in 1937 were made in the States in which the Railroads Operated

by the railroads last year for materials and equipment, but they also establish the hitherto incompletely recognized fact that, with few exceptions, the states all benefit substantially from the buying by railroads not located in them. During 1937, non-resident railroads for which reports are available spent \$3,559,000 in Colorado; \$6,808,000 in Connecticut; \$40,905,000 in Illinois; \$41,726,000 in Indiana; \$3,782,000 in Kentucky; \$5,398,000 in Massachusetts; \$6,485,000 in Michigan; \$6,004,000 in Missouri; and \$10,131,000 in New Jersey. Also, \$29,593,000 was spent by non-resident railroads for materials and equipment in New York; \$25,551,000 in Ohio; \$78,392,000 in Pennsylvania; \$3,993,000 in Washington; \$22,472,000 in West Virginia; and \$3,853,000 in Wisconsin.

The astonishing degree to which every railroad depends for its purchases on the manufacturers and producers in states other than those through which it operates, including states remotely situated from its line of road, and the extent to which industries in each state benefit from the purchasing by railroads not operating in the state, including railroads far removed from the state boundaries, are graphically presented in a table showing by symbols the states in which each railroad made purchases last year. Scarcely any road purchased in fewer than 20 off-line states, and many roads made purchases in practically every state. In New England, the Bangor & Aroostook reported purchases in 29 off-line states, and the New England railroads in the aggregate reported purchases in 35 off-line states, including Alabama, Arkansas, California, Florida, Iowa, Kansas, Louisiana, Michigan, Mississippi, Oregon and Texas.

In the Great Lakes region, the Grand Trunk made purchases in 30 off-line states, and purchases by all railroads in that region were made in 40 states outside of the region. The Chesapeake & Ohio spent money for materials and equipment in 34 off-line states; the Louisville & Nashville in 25 off-line states; the Great Northern in 34 off-line states; and in the West, the Western Pacific bought supplies in 32 off-line states.

Purchases are known to have been made in Alabama last year by 75 railroads, including 65 non-resident railroads. The numbers were 58 total, and 48 non-resident in Arkansas; 69 total and 64 non-resident in California; and 54 total and 49 non-resident in Colorado. A total of 97 railroads, including 95 non-resident railroads,

bought in Connecticut; 73 railroads, including 70 non-residents, bought in Delaware; and 51 railroads, including 46 non-residents, bought in Florida. Iowa supplied

Table 4—Geographical Distribution of Railway Purchases—1937*

	Total purchases*	States on line	Per cent	States off line	Per cent
New England Region:					
Bangor & Aroostook.	\$1,493,391	\$192,335	13	\$1,301,056	87
Boston & Maine	9,734,427	2,905,169	30	6,829,258	70
Central Vermont	1,847,717	469,769	25	1,377,948	75
Maine Central	4,600,845	548,347	12	4,052,498	88
N. Y. N. H. & H.†	21,709,026	10,225,306	47	11,483,720	53
Rutland	856,490	113,185	13	743,305	87
Total 6 roads.....	\$40,241,896	\$14,454,111	35	\$25,787,785	65
Great Lakes Region:					
Ann Arbor	\$923,358	\$106,645	12	\$816,713	88
Camb. Ind.	153,963	115,710	75	38,253	25
Del. & Hud.	5,464,157	3,826,241	70	1,637,916	30
D. L. & W.	9,622,729	7,867,901	82	1,754,828	18
Detr. & Mack.	182,105	60,589	33	121,516	67
D. & T. S. L.	599,802	427,959	71	171,843	29
Erie	16,259,400	14,093,256	87	2,166,144	13
G. T. W.	6,764,090	3,246,863	48	3,517,227	52
L. & H. R.		No data			
L. & N. E.	698,744	459,451	66	239,293	34
Lehigh Val.	8,603,184	5,708,464	66	2,894,720	34
Monongahela	460,565	371,195	80	89,370	20
Montour	349,126	297,673	85	51,453	15
N. Y. C.	74,400,880	68,701,167	92	5,699,713	8
N. Y. C. & St. L.	9,872,739	8,004,250	81	1,868,489	19
N. Y. O. & W.	997,725	872,307	87	125,418	13
P. M.	7,924,466	5,053,905	64	2,870,561	36
P. & S.	202,816	165,951	83	36,865	17
P. & W. Va.	1,592,216	1,232,688	77	359,528	23
P. S. & N.	200,857	185,313	92	15,544	8
Wabash	11,254,426	9,631,094	86	1,623,332	14
Total 20 roads....	\$156,527,348	\$130,428,622	85	\$26,098,726	15
Central Eastern Region:					
Alton & Southern...	\$427,439	\$133,846	31	\$293,593	69
A. C. & Y.	435,706	320,944	74	114,762	26
B. & O.	45,911,742	44,904,953	98	1,006,789	2
B. & L. E.	11,314,625	7,294,569	65	4,020,056	35
Cent. of N. J.†	4,778,094	3,133,946	65	1,644,148	35
C. & E. I.	4,929,637	4,124,725	84	804,912	16
C. & I. M.	1,445,446	447,783	31	997,663	69
C. I. & L.	1,863,496	1,454,524	78	408,972	22
D. T. & I.		No data			
E. J. & E.†	3,245,558	2,403,201	74	842,357	26
Ill. Term'l		No data			
Penna. system	106,817,112	101,156,170	95	5,660,942	5
Reading†	12,901,604	7,732,672	60	5,168,932	40
W. Md.	3,964,728	3,212,382	81	752,346	19
W. & L. E.†	5,152,206	2,269,365	44	2,882,841	56
Total 13 roads....	\$203,187,393	\$178,589,080	87	\$24,598,313	13
Pocahontas Region:					
C. & O.	\$24,804,979	\$15,147,980	61	\$9,656,999	39

* Materials and supplies and equipment.

† Excludes freight charges.

‡ Includes \$1,849,639 of undistributed freight charges.

	Total purchases*	States on line	Per cent	States off line	Per cent
Pocahontas Region (Cont'd)					
N. & W.		No data			
R. F. & P.	2,291,384	607,538	26	1,683,846	74
Virginian		No data			
Total 2 roads....	\$27,096,363	\$15,755,518	58	\$11,340,845	42
Southern Region:					
A. & W. P.	\$2,217,599	\$1,194,971	54	\$1,022,628	46
A. B. & C.	1,118,302	909,688	81	208,614	19
A. C. L.	12,582,098	7,783,576	62	4,798,522	38
Cent. of Ga.	5,036,684	3,347,854	67	1,688,830	33
C. & W. C.		No data			
Clinchfield	3,603,457	646,674	18	2,956,783	82
Col. & Green.†	328,791	77,144	23	251,647	77
F. E. C.		No data			
Georgia & Fla.		No data			
G. M. & N.	2,674,226	1,255,958	47	1,418,268	53
Ill. Cent.	34,072,670	30,318,898	89	3,753,772	11
L. & N.†	17,332,370	13,659,423	79	3,672,947	21
Miss. Cent.	245,814	143,746	59	102,068	41
M. & O.	2,597,158	2,085,837	80	511,321	20
N. C. & St. L.	4,345,440	3,335,967	77	1,009,473	23
Norfolk Sou.	1,381,498	550,471	40	831,027	60
S. A. L.		No data			
Southern	41,190,292	32,990,762	80	8,199,530	20
Tenn. Cent.	653,484	324,473	50	329,011	50
Total 15 roads....	\$129,379,883	\$98,625,442	76	\$30,754,441	24
Northwestern Region:					
C. & N. W.	\$30,174,600	\$19,647,083	65	\$10,527,517	35
C. G. W.	4,095,079	2,277,186	56	1,817,893	44
C. M. St. P. & P.	29,349,138	24,465,607	84	4,883,531	16
C. St. P. M. & O.	5,745,918	1,779,585	31	3,966,333	69
D. M. & I. R.†	7,990,819	975,474	12	7,015,345	88
D. S. S. & A.		No data			
D. W. & P.	313,036	91,007	29	222,029	71
G. N.†	27,372,169	10,158,754	38	17,213,415	62
G. B. & W.	613,373	201,000	33	412,373	67
L. S. & I.	980,825	63,928	7	916,897	93
M. & St. L.	1,874,084	1,167,603	62	706,481	38
M. St. P. & S. S. M.		No data			
N. P.	23,818,739	12,619,848	53	11,198,891	47
Spok. Int.	149,268	68,461	46	80,807	54
S. P. & S.	3,091,398	1,606,378	52	1,485,020	48
Total 13 roads....	\$135,568,446	\$75,121,914	55	\$60,446,532	45
Central Western Region:					
Alton	\$4,133,024	\$2,599,139	63	\$1,533,885	37
A. T. & S. F.	69,522,106	39,248,568	56	30,273,538	44
Bing. & Gar.	281,609	112,857	40	168,752	60
C. B. & O.†	31,238,236	19,750,566	63	11,487,670	37
C. R. I. & P.	25,288,864	17,794,249	70	7,494,615	30
Colo. & Sou.	1,239,576	1,105,467	89	134,109	11
D. & R. G. W.	10,198,602	6,355,882	52	3,842,720	48
D. & S. L.	879,178	697,214	79	181,964	21
Ft. W. & D. C.	1,572,410	754,710	48	817,700	52
Nev. Nor.	167,781	25,054	15	142,727	85
Nw. Pac.	870,555	834,167	96	36,388	4
S. D. & A. E.	153,183	141,323	92	11,860	8
Sou. Pac.	58,643,229	29,488,906	50	29,154,323	50
T. P. & W.		No data			
U. P.	64,443,492	30,082,053	45	34,361,439	55
Utah	273,955	111,056	40	162,899	60
W. P.	7,836,975	4,230,283	54	3,606,692	46
Total 16 roads....	\$276,742,775	\$153,331,494	55	\$123,411,281	45
Southwestern Region:					
Burl. R. I.	\$135,407	\$122,796	91	\$12,611	9
Ft. S. & W.	168,518	127,451	75	41,067	25
K. C. S.	2,845,072	1,874,582	65	970,490	35
L. & A.†	1,620,912	638,709	39	982,203	61
Midland Valley		No data			
Mo. & Ark.	251,482	115,967	46	135,515	54
M-K-T	6,018,821	4,213,794	70	1,805,027	30
Mo. Pac.	35,719,671	28,036,291	78	7,683,380	22
St. L. S. F.	14,918,868	10,750,004	72	4,168,864	28
St. L. S. W.	6,605,579	4,647,606	70	1,957,973	30
T. & N. O.	9,656,295	5,508,915	57	4,147,380	43
T. & P.	6,858,305	3,268,481	48	3,589,824	52
Total 11 roads....	\$84,798,930	\$59,304,596	70	\$25,494,334	30
Grand total 96 roads	\$1,053,543,034	\$725,610,777	69	\$327,932,257	31

* Materials and supplies and equipment.

† Excludes freight charges.

‡ Includes \$1,849,639 of undistributed freight charges.

§ Partially estimated.

¶ Excludes nine months' freight.

76 railroads; Kansas, 65, including 56 non-residents; Kentucky, 83, including 69 non-residents; and Louisiana, 72, including 60 non-residents. A total of 96 railroads made purchases in Missouri, including 75 non-residents; 57 in Mississippi, including 48 non-residents; 12 in Montana, including 7 non-residents; 72 in Nebraska, including 61 non-residents; 60 in Oregon, including 55 non-residents; 79 in Tennessee, including 66 non-residents; 67 in Vermont, including 63 non-residents; 66 in Washington, including 60 railroads not resident in the state, and 17 in Wyoming, including 13 non-residents.

The 100 railroads who reported their purchases to the *Railway Age*, spent \$725,617,276, or 69 per cent, of their total outlay for purchases last year, in states on the line of their railroads, while \$326,076,119, or 31 per cent of the total, was spent in states off their lines. In the New England region, 35 per cent of the purchases were made in states on line and 65 per cent off-line. In the Great Lakes region, the purchases were 85 per cent on line and 15 per cent off-line, and in the Central Eastern region, they totaled 87 per cent on line and 13 per cent off-line. By comparison, off-line buying in the aggregate totaled 24 per cent on roads in the Southern region; 45 per cent on roads in the Northwestern region; 45 per cent on roads in the Central Western region; and 30 per cent on the railroads in the Southwestern region.

Modernization Produces New Station Effect at Moderate Cost

(Continued from page 941)

track level directly opposite the station was completely re-equipped and was connected up to provide steam for heating the station building, making it possible to retire from service an old hand-fired boiler in the station basement. The old power house, a brick structure, built and equipped at the time the station was built, had formerly furnished steam for the heating of the track platform waiting rooms, but was used primarily to furnish compressed air for the operation of the large number of electro-pneumatic switching machines within and about Trenton, and hydraulic pressure for the operation of the two hydraulic baggage elevators serving the high-level passenger platforms. As re-equipped, it continues its former functions, as well as supplying steam heat to the station proper.

In the changes made at the power house, an old fire-tube boiler and an old water-tube boiler were replaced by a single National, sectional low-pressure boiler, fired automatically by an Iron Fireman; two old Ingersoll-Rand steam-driven air compressors were replaced by two two-stage motor-driven compressors of the same make, each with 150 cu. ft. displacement; and an old steam-driven hydraulic pump furnishing power for the operation of the hydraulic baggage elevators was replaced with a Worthington motor-driven, direct-connected, centrifugal pump.

Electric Power Supply

In connection with the electric power supply to the remodeled station and power house facilities, a second power supply was brought into the station and a new transformer vault and a new switch room were provided in the station basement on the track side. Here were provided three 50-kw. oil-cooled transformers; two 600-amp., 600-volt change-over switches, and the required current distribution panels.

The modernization of the facilities at Trenton was planned and carried out under the direction of W. D. Wiggins, chief engineer of the Pennsylvania, A. C. Watson, chief engineer of the New York zone, and T. W. Pinard, engineer of bridges and buildings of the New York zone, with M. L. Kyle, assistant engineer, in direct charge of the work. Ethan Allen Dennison, New York, was employed as architect on the improvements, while the actual work was done under contract by the George A. Fuller Company, New York.

New Friction Bolster Spring

THE Type-H railway-truck friction bolster spring, recently developed by the Railway Truck Corporation, Chicago, Ill., is designed to protect equipment and lading from vertical shocks in modern high-speed freight train operation, by utilizing the largest possible frictional surfaces in the space available and thus reducing to a minimum the unit working pressure.

The distribution of work in this unit, the construction of which is clearly shown in the illustrations, is spread over three surfaces as follows, expressed in terms of travel area: Surface between shoes and casing, 70 sq. in. of travel area; surface between main spring and casing, 12.5 sq. in. of travel area; surface between inner springs and shoes, 3.25 sq. in. of travel area; total, 85.75 sq. in. of travel area.

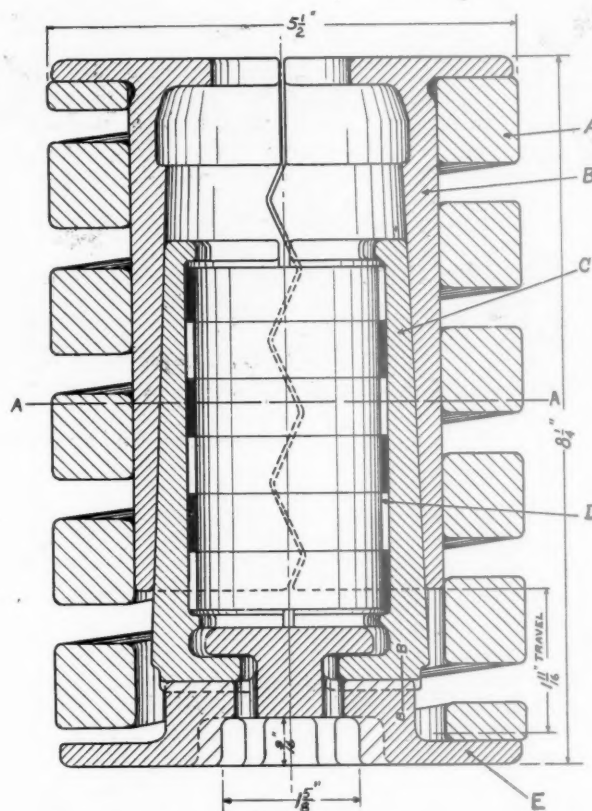
The surface between the shoes and casing develops 82 per cent of the work in the unit, the balance, or 18 per cent, being developed between the springs and their respective surfaces. The unit has reserve travel of $\frac{1}{8}$ in. after the bolster springs go solid; the main spring *A* has a further reserve of another $\frac{1}{8}$ in.

The inner split-ring springs *D* are placed under sufficient compression always to insure ample resistance to the inward movement of friction shoes and take up slack due to wear. When in service, the actual movement of these inner springs is very small; consequently the tendency toward fatigue is negligible.

The casing *B* is made in three parts with its edge

shoes *C* are also forged. The base casting *E* is made of electric cast steel, electrically galvanized.

This device can be taken apart and re-assembled, without the use of any tools or shop equipment, in a few minutes. A few end blows place the shoes in proper



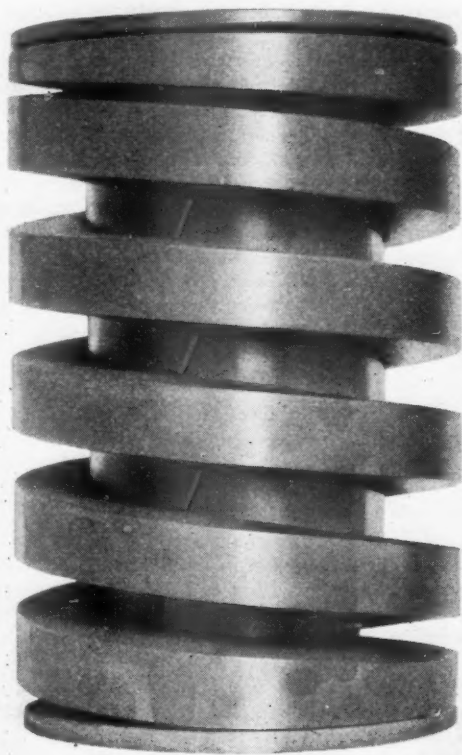
Cross-Section of Type-H Railway-Truck Friction Bolster Spring

position so as to bring the free length of the unit to $8\frac{3}{8}$ in. The device is designed so that it cannot be assembled incorrectly.

The Type-H friction bolster spring is said to eliminate approximately 80 per cent of the vibration of ordinary truck spring groups, which is the maximum absorption capacity ordinarily desired. One friction bolster spring inserted in each nest of truck springs, placed in diagonal corners of the bolster, is recommended practice. Where friction bolster springs have been applied, an appreciable increase has been noted in the life of bolster springs, and other car parts, as well as reduced damage to lading.

Advertising Bus Service

AS a means of individualizing its major bus operations the Santa Fe Trailways is advertising certain of its coach runs in much the same manner that the parent railway company has used to make the names "Chief" and "Super-Chief" known. In its own exclusive advertising designed to appeal to transcontinental traffic, Santa Fe Trailways stresses the fact that it travels the Santa Fe Trail, "replete with history and romance" and at the same time calls attention to its two transcontinental limiteds—the Century Express and the Santa Fe Trail Limited. These operations run between Chicago and Los Angeles on fast schedules, making direct connections with other Trailways lines at Chicago



Exterior View of the Friction Bolster Spring

surfaces staggered to prevent ridges wearing on the surface of friction shoes. This casing is made of forged alloy material, heat treated to resist wear. The frictional



The Type of Bus Used by the Santa Fe on Its Advertised Express Runs

for Montreal, Boston, New York, Philadelphia, Washington and the East.

The Century Express and the Santa Fe Trail Limited are featured in the exclusive Santa Fe Trailways national advertising, as well as in the national advertising of the National Trailways System. Other named runs also receive attention, including the Westerner, the Warrior, the Denver Limited and the Air-Line Limited, bringing the Midwest to the Colorado Rockies. The Air-Line travels the shortest route between Chicago and Denver. Through the heart of the Arkansas Osarks, the Ozarkian travels a scenic route from Joplin to Little Rock. Likewise, through the heart of the Sangro de Cristos, the Taos reaches into the mountain country of famed Kit Carson, and down the Rio Grande Canyon to Old Santa Fe. Featured north-south runs are the Dixie Limited and the Dixie Special. These two fast runs serve Chicago-Kansas City-Dallas and are advertised as making better time than any other bus operation between those cities. Two supplementary services are also widely advertised by the Santa Fe Trailways, the bus express and the Fred Harvey dining stations. The bus express service is the source of a considerable and growing revenue, while the Harvey dining stations provide a meal stop service that is popular.

New Books...

The Undistributed Profits Tax, by M. Slade Kendrick. 108 pages. 8 in. by 5 1/4 in. Bound in paper. Published by the Brookings Institution, Washington, D. C. Price \$5.00.

The harmful effect of the federal undistributed profits tax on railroad expenditures and ability to survive during "lean" years makes this careful survey of this tax by the Brookings Institution a timely work. The study concerns the workings of the tax, the hardships it imposes on corporations, its status in the broad field of corporation taxation and the relief possible through suggested amendments to the present tax law. The material of the book is gathered to a great extent from the expressed views of corporation officers in their answers to a detailed questionnaire sent out in June, 1937, under the direction of Senator Frederick Steiwer of Oregon. A total of 3,600 corporations were addressed and 1,560 replies were re-

ceived. Unfortunately for the railroad field, the steam carriers and the utilities were not covered in the canvass, and those factors in the tax question relating to the carriers in a special degree are not covered by the survey.

The work does, nevertheless, furnish a broad explanation of the workings of the tax, and reaches the conclusion which is of special interest to railroad management, that the tax should be repealed, on the grounds that its degree of efficacy in promoting "economic justice" is heavily outweighed by its adverse effects. Of these, the chief is that it "limits the possibility of prompt and flexible capital developments." Such amendments to the levy as, for example, the proposed exemption of "debt-ridden" corporations and those earning \$5,000 or less and exclusion of earnings expended for improvements, the study dismisses as introducing new unjust discrimination and complications. It does, however, suggest the following amendments, if the undistributed profits tax is to be retained: (1) A period of at least 75 days beyond the close of the year should be allowed for payment of dividends before so-called undistributed profits are ascertained for assessment. (2) Corporations should be relieved of any requirement that they pay undistributed profits tax on deficiencies in income reported. (3) Deductions should be allowed for operating losses incurred during three years preceding assessment date. (4) Deductions for capital losses should be given equal treatment with assessment of capital gains.

Trane Air Conditioning Manual, by William Goodman. 325 pages, illustrated, cloth bound, 8 1/2 x 11 in. Published by the Trane Company, La Crosse, Wis. A Trane air conditioning ruler, pad of twenty-five psychrometric charts and six cooling load estimate sheets are included. Price \$5.

The manual is an outgrowth of material originally prepared for the Trane Company and used for some time in loose-leaf form. It is concerned primarily with the application of fundamental engineering facts to the design of air-conditioning systems. It contains an exhaustive analysis of the properties of air and includes also original information on the use of water in relation to air conditioning. The approach is practical, nothing more than simple arithmetic being required, and there is no catalog material. Its essential purpose is to give a clear picture of the relationship existing between the many parts that go into making an air-conditioning system. Contents are divided into chapter heads, as follows: Heat, comfort, heat gains, properties of air and the psychrometric chart, calculations for the conditioned air supply, refrigeration for air conditioning, water for air conditioning. Graphical solutions of otherwise difficult air-conditioning problems are made possible by means of the ruler and the psychrometric charts.

NEWS

Hull Revives St. Lawrence Seaway

Proposes new treaty — says railroads will have time to adjust selves

Administration agitation for the completion of the St. Lawrence seaway was revived last week when Secretary of State Cordell Hull transmitted to Canada "an informal and tentative draft of a proposed general treaty establishing what is, in effect, a broad plan covering the future utilization of the Great Lakes-St. Lawrence basin to assure the maximum advantages to both peoples." A previous treaty with Canada covering the project failed of ratification in the Senate on March 14, 1934, the vote being 46 to 42, whereas a two-thirds vote was necessary for ratification.

Secretary Hull's letter of transmittal refers to the present proposition as embodying "certain additional proposals which, in the opinion of the United States Government, should make it possible to reach an immediate agreement providing for the early initiation of the undertaking in accordance with a program designed to give full recognition to a possible divergence of interest between the two countries with reference to the timing of specific works." Also, he thinks that "the period within which the completion of the deep waterway would be contemplated would be sufficient to provide a natural growth of traffic assuring the railroads the ability to adjust themselves to the new transportation agency without financial hardship." Meanwhile, "the important economic areas tributary to the Great Lakes-St. Lawrence basin on both sides of the border would be assured of the realization of their desire that ocean navigation be brought to the heart of the continent."

Among his "observations on the proposals which have been incorporated in the tentative treaty draft," Secretary Hull included the following: "The United States would immediately undertake the development of the International Rapids section of the St. Lawrence river, in accordance with the provisions of the treaty, and would complete all proposed works except the Canadian power-house superstructures and their equipment. Thus, the next important step in the deep waterway project would be assured without requiring the government of Canada to undertake the immediate completion of its share of the project or the additional expenditure asso-

ciated therewith." In other words, as the State Department summary statement puts it, "The United States is prepared to finance the works necessary to carry seaborne commerce past the International Rapids, and to make possible power development from these rapids whenever desired by either country." Provision is also made "assuring completion of the waterway within reasonable time."

In the latter connection, the proposed treaty would commit the Canadian government, not later than December 31, 1949, to provide "for the necessary deepening of the New Welland Ship Canal, and for the completion of the essential links in the Canadian section of the deep waterway to the sea, including canals of the required depth in the Soulages and Lachine areas of the St. Lawrence river."

In addition to reviving the seaway, the proposed treaty, according to Secretary Hull, would "provide for an international commission to develop plans and advise the two governments in a program to promote the most advantageous use of the entire Great Lakes-St. Lawrence resource; assure the immediate undertaking under the supervision of this commission of the proposed remedial works to preserve the scenic beauty of Niagara Falls; permit the Province of Ontario to go forward with its plans for diversions from the Albany River basin into the Great Lakes and utilize such additional water for power at Niagara; make available considerable additional Niagara power to each country for development at will; and enable the proposed commission to proceed immediately with the preparation of comprehensive plans for more efficient use of the resources of the Niagara River."

The State Department summary points out that when the project is completed "deep water navigation will meet cheap power" to make possible "the bringing together of Great Lakes iron ore, Canadian and American mineral resources, and water-borne materials." Included also is "the possible development of the extremely rich and relatively undeveloped iron ore resources in New York State itself."

Date Set for Oral Argument in H. & M. Case

The Interstate Commerce Commission has set June 22 as the date for oral argument on the application of the Hudson & Manhattan to increase its fares from Hudson Terminal, New York City, to New Jersey points from six to 10 cents. As noted in the May 21 issue of *Railway Age Examiner* Koch's proposed report recommended that the commission fix the fare at eight cents.

Owosso Toasts The R. R. Industry

Mich. town's citizens join rail employees in paying tribute to its railroads

The Owosso, Mich., Chamber of Commerce on May 25 sponsored a highly successful "Railroad Appreciation Day"—an occasion of festivities honoring the industry and its employees.

The celebration opened when a 17-year old high school girl, Barbara Scarlett, dressed in engineer's hat, coat and gauntlets, climbed into the cab of an Ann Arbor engine at 8 a. m. sharp and announced the affair. Locomotive whistles on all three railroads—Ann Arbor, Michigan Central, Grand Trunk—in the city joined in, as did the city fire sirens and all factories. The town was decorated, each business house having a flag before it. In addition, practically all business houses had one of the various A. A. R. station posters hanging in its windows.

During the day the Michigan Central exhibited one of the coaches of the famous N. Y. C. train "The Mercury." The Ann Arbor opened its locomotive and other shops for inspection, and had a "cold" engine standing just off of its main street crossing for inspection by townsmen, the engine placarded as to dimensions, power, steam pressure and other detail. The Grand Trunk had on view in the city's leading hotel lobby a 3/4-inch scale model locomotive of one of its "6300" engines, true in all detail and operating. Thousands visited both the "Mercury" coach and engine, hundreds the shops and other hundreds the model engine. In addition, several stores had railroad exhibits in their windows.

During the day, the winners (a girl and a boy) of a high school essay contest on the subject "What the Railroads Have Meant to Owosso," in which 877 students entered, were announced; and the city's daily paper, the *Argus-Press*, one of Michigan's best smaller-city papers, published a 16-page tabloid devoted entirely to the railroads, local and national, and containing numerous pictures not only of railroad officers but of local railway labor executives.

The prize for the essay contest winners is an all-expense railroad trip to Detroit, and to Cleveland on "The Mercury."

In the evening the Chamber was host at a banquet attended by slightly under 500 persons and including the directing

(Continued on page 961)

Board Interprets Work-Sharing Pact

Rules that agreement gave "old heads" no claim to full time

The National Mediation Board, in recent decision interpreting a share-the-work agreement, ruled that the latter did not guarantee a six-day week to regularly assigned employees in the absence of such guarantee provisions in the normal labor agreements between the railroads and the unions. The decision was made upon application of the Brotherhood of Railroad Signalmen of America and the Brotherhood of Maintenance of Way Employees, signatories to the mediation agreement entered into August 5, 1937, by representatives of 126 carriers and 14 labor organizations.

Item 2 of that agreement reads as follows: "Share-the-work practices however established will be terminated on request of the general chairman. No such request shall be made however prior to September 1, 1937. This is intended to bring about regular employment to such forces as are required by each carrier. Forces will be increased or decreased in conformity with the seniority rules, (or supplementary agreements while in effect) on the individual carriers."

The position of the two brotherhoods was that share-the-work practices are responsible for working regularly assigned signalmen and maintenance of way employees less than the full work week of six days; that the term "regular employment" in Item 2 was intended to mean six work days per week and hence when requested to do so by the general chairmen, the carriers were obliged to restore such short-time employees to six days work per week, but that in this connection, the carriers might lay off junior employees to compensate for any added expense due to lengthening the work week. In other words, the employees interpreted Item 2 to mean that all maintenance of way and signal gangs working less than six days a week were engaged in sharing the work and that such gangs must be given full six days employment when requested by the general chairmen representing the employees.

The carriers' position was that wherever employees are working less than six days per week they are not necessarily doing so as a result of share-the-work practices within the meaning of Item 2, nor that the term "regular employment" as used in Item 2 necessarily means six days' work per week. When the amount of work available for the minimum number of employees necessary to perform the work to be done or the service to be performed was not sufficient to occupy these employees six days per week, the carriers considered that no sharing of the work was involved, and hence they were not required to pay for six days when less than six days were worked under such circumstances.

The Board's ruling was summarized in the decision as follows:

1. Item 2 provides that carriers, when requested to do so by the general chairmen, will discontinue arrangements for working employees less than six days per week when such arrangements are due specifically to work-sharing practices, such work-sharing practices being arrangements for working more employees fewer days per week in order that available work may be shared by a larger number of employees than the minimum necessary to do the available work or to protect the service.

2. Item 2 does not guarantee six days' work per week, and neither does it change seniority rights and reduction of force provisions of existing agreements.

3. When, upon request of the general chairmen, carriers are required to terminate any arrangements involving share-the-work as explained above, they must revert to the provisions of their existing agreements and to the mutually recognized practices under those agreements.

Recommends Bringing Fred Harvey Employees Under Labor Act

Examiner Earl M. Steer has recommended in a proposed report that the Interstate Commerce Commission bring employees of the Fred Harvey dining-car service on the Atchison, Topeka & Santa Fe within the definition of the term "employee" in the fifth paragraph of section 1 of the Railway Labor Act.

Pennsylvania Garden Club Program

The New York branch of the Pennsylvania Railroad Garden Club will hold its spring flower show in Pennsylvania station, New York, on June 6, in the rooms of the Y. M. C. A. The annual club trip to the Dreer nurseries at Riverton, N. J., will be made on Saturday, June 11. Buses will leave Philadelphia, Pa., at 1:45 p. m. (d. s. t.).

Southern Pacific Car Workers Adopt Light Blue Uniform

A light blue uniform with cap to match and with the name of the craft of the wearer inscribed upon it is now being worn by car inspectors, welders, coach cleaners, icemen, electricians, machinists, car oilers, boilermakers, carmen, truckmen, laborers, pipers, sheet metal workers and their helpers in Southern Pacific terminals. The innovation is a part of a general "spruce-up" campaign among employees whose work frequently brings them in contact with the public.

Summer Advisory Board Meetings

Seven of the Shippers Regional Advisory Boards have announced meetings for June and July, as follows: Southwest, June 2, Texas hotel, Fort Worth, Texas; Trans-Missouri-Kansas June 15, Hotel Allis, Wichita, Kan.; Allegheny, June 16, Hotel Ohio, Youngstown, Ohio; Pacific Northwest, June 21, Olympic hotel, Seattle, Wash.; Pacific Coast, June 23-24, Palace hotel, San Francisco, Calif.; Central-West, June 28, Hotel Utah, Salt Lake City, Utah; Mid-West, July 7, Schroeder hotel, Milwaukee, Wis.

Full-Crew Law Sent Back for Hearings

Pennsylvania high court upholds injunction; sends bill to low court for consideration

Pennsylvania's full-crew act, compliance with which would cost the Pennsylvania railroad alone some \$4,500,000 annually, has been sent back by the state Supreme Court to the Common Pleas Court of Dauphin County for further hearings. The same decision held that the lower court had not erred in continuing a preliminary injunction restraining enforcement of the act. This was the court's answer to an appeal brought against the injunction by the Pennsylvania Public Utility Commission and the state attorney general, in which the Pennsylvania railroad was named as appellee, as reported in the *Railway Age* for February 12, page 313.

While the decision specifically confirmed only the right of the lower court to issue the injunction, it contained a detailed discussion not only of the constitutionality of the full-crew law itself, but of the whole question of the imposition of added expense on carriers by arbitrary state action. To "clear the air" in the issue raised by the appellants' attack on the common pleas court to grant the injunction, the higher court declared in strong vein that when a statute imposes a heavy penalty for failure to comply (the full-crew law carries a \$100 fine for each violation thereof), and when the constitutionality question is raised, it is "the duty of the court to stay the operation of the penalties and the law itself until such constitutionality has been determined."

The decision had to say of the argument that the law bears reasonable relation to its "ostensible" object,—the promotion of safety—the following:

"If we are to assume that any increase in the number of employees on a train insures safety, per se, regardless of any other consideration, then all such legislation is valid regardless of its consequences to the railroad, its travelers and the public in general. Safety is a relative term. Absolute safety can never be insured, and comparative safety is attended by certain necessary elements of disadvantage which must enter the comparison. One of these elements is cost, and it must be considered."

The court went on to state that cost is reflected not only in the railroads' expense sheet but "more important, bears on the ultimate expense to the public at large which uses its facilities," and listed several important U. S. Supreme Court decisions holding that the cost of compliance with state laws should be considered under the "due process clause" of the federal Constitution.

On the subject of the relation of the state law to interstate commerce, the court asserted that "it cannot be overlooked that where state laws materially and unreasonably affect the revenues which go to build up interstate commerce, the federal Consti-

(Continued on page 961)

4 Months N. O. I. Was \$28,791,805

Return of 0.44 per cent on investment reported—Deficit in Western district

Class I railroads of the United States in the first four months of 1938 had a net railway operating income of \$28,791,805 which was at the annual rate of return

\$127,110,460 or 3.64 per cent, while in 1930 it was \$134,459,050 or 4.18 per cent. Gross in the Eastern district for the first four months totaled \$516,804,807, a decrease of 27.1 per cent compared with 1937, and a decrease of 41.8 per cent compared with 1930. Operating expenses totaled \$419,218,143, a decrease of 16.7 per cent below the same period in 1937, and a decrease of 38.3 per cent under the first four months of 1930.

Class I roads in the Eastern district for April had a net railway operating income of \$7,518,272 compared with \$32,234,708

Class I Railroads—United States

Month of April

	1938	1937	1930
Total operating revenues	\$268,268,919	\$351,506,719	\$445,523,063
Total operating expenses	219,543,059	261,949,013	344,194,247
Taxes	28,204,678	30,198,814	29,495,407
Net railway operating income	9,236,818	48,357,724	60,882,332
Operating ratio—per cent	81.84	74.52	77.26
Rate of return on property investment—per cent	0.54	2.86	3.61

Four Months Ended April 30

	1938	1937	1930
Total operating revenues	\$1,081,603,138	\$1,382,679,318	\$1,761,623,106
Total operating expenses	896,657,111	1,025,822,771	1,370,341,285
Taxes	112,797,179	117,769,049	116,253,004
Net railway operating income	28,791,805	195,872,531	233,942,444
Operating ratio—per cent	82.90	74.19	77.79
Rate of return on property investment—per cent	0.44	3.01	3.51

of 0.44 per cent on their property investment, according to the Bureau of Railway Economics of the Association of American Railroads. In the first four months of 1937, their net railway operating income was \$195,872,531 or 3.01 per cent, and in the first four months of 1930, was \$233,942,444 or 3.51 per cent.

Gross operating revenues for the first four months of 1938 totaled \$1,081,603,138 compared with \$1,382,679,318 for the same period in 1937, and \$1,761,623,106 for the same period in 1930, a decrease of 21.8 per cent below 1937, and 38.6 per cent below 1930. Operating expenses for the four months amounted to \$896,657,111 compared with \$1,025,822,771 for the same period in 1937, and \$1,370,341,285 in 1930—12.6 per cent less than the former, and 34.6 per cent below 1930.

Class I roads in the first four months of 1938 paid \$112,797,179 in taxes compared with \$117,769,049 in the same period in 1937, and \$116,253,004 in 1930; for April the tax bill amounted to \$28,204,678, a decrease of \$1,994,136 or 6.6 per cent below April 1937. Sixty-five Class I roads failed to earn expenses and taxes in the first four months of 1938, of which 25 were in the Eastern district, nine in the Southern district and 31 in the Western district.

Class I roads in April had an operating income of \$9,236,818 or 0.54 per cent on investment; in April, 1937, their net was \$48,357,724 or 2.86 per cent, and in April, 1930, it was \$60,882,332 or 3.61 per cent. Gross for April amounted to \$268,268,919 compared with \$351,506,719 in April, 1937, and \$445,523,063 in April, 1930; operating expenses totaled \$219,543,059 compared with \$261,949,013 in the same month in 1937, and \$344,194,247 in 1930.

Class I roads in the Eastern district for the first four months had a net railway operating income of \$22,917,639, which was at the annual rate of 0.65 per cent; for the same period in 1937, their net was

in April, 1937, and \$37,110,656 in April, 1930.

Class I roads in the Southern district for the first four months had a net railway operating income of \$14,909,451, which was at the annual rate of 1.34 per cent. For the same period in 1937, their net amounted to \$30,472,437, or 2.73 per cent, and for the same period in 1930 it was \$32,884,884 or 2.83 per cent. Gross in the Southern district for the first four months amounted to \$157,525,212, a decrease of 14.2 per cent compared with the same period in 1937, and a decrease of 33.5 per cent under the same period in 1930. Operating expenses totaled \$122,725,852 a decrease of 7.4 per cent below the same period in 1937, and a decrease of 33.5 per cent under 1930.

Class I roads in the Southern district for April had a net of \$3,870,333 compared with \$7,480,095 in April, 1937, and \$7,970,597 in April, 1930.

Class I roads in the Western district for the first four months in 1938 had an operating deficit of \$9,035,285. For the same four months in 1937, the railroads in that district had a net railway operating income of \$38,289,634 which was at the annual rate of return of 2.01 per cent, and for the same period in 1930 it was \$66,598,510 or 2.92 per cent. Gross in the Western district for the first four months' period amounted to \$407,273,119, a decrease of 16.9 per cent below the same period in 1937, and a decrease of 36.1 per cent under the same period in 1930. Operating expenses totaled \$354,713,116, a decrease of 9.1 per cent compared with the same period in 1937, and a decrease of 29.9 per cent as compared with the same period in 1930.

For April alone, the Class I roads in the Western district reported a net railway operating deficit of \$2,151,787 compared with a net railway operating income of \$8,642,921 for the same roads in April, 1937, and \$15,801,079 in April, 1930.

Treasury Opposed to Job Surety Bill

Objects to giving railroads a favored status—Labor counsel raps "bureaucratic arrogance"

The handicap of Treasury Department opposition attended railway labor's bill unemployment insurance (H. R. 10127) as hearings got under way last week before the House committee on interstate and foreign commerce. The measure is designed to remove railway workers from the state unemployment systems and care for them in more liberal fashion under a federal plan administered by the Railroad Retirement Board. Testimony of the proponents was completed at the May 31 session of the hearings, when the railroad case in opposition was opened by C. D. Young, vice-president of the Pennsylvania.

The Treasury Department's adverse report was embodied in a letter signed by Wayne C. Taylor as Acting Secretary of the Treasury. This letter was put into the record at the May 26 opening session by Chairman Lea of the committee. Later Charles M. Hay, who made the principal argument in support of the bill as counsel for the Railway Labor Executives' Association, said that railroad labor regarded the Treasury Department's recommendation that the bill be not enacted as "a typical example of unwarranted bureaucratic arrogance, founded on ignorance, not supported by logic and not buttressed by evidence."

Acting Secretary of the Treasury Taylor had first explained the provisions of the bill, and then went on to say that "The most fundamental question raised by the bill is as to the wisdom of separating the railroads and their employees from the system of unemployment compensation which is now in operation under the provisions of the Social Security Act. The fact that benefits payable to employees under the bill are more liberal than those under state plans now in operation, together with the fact that there is no increase in contribution rates, indicate either one of two things: (a) That railroad employees are a better 'risk' than the average employee covered by an unemployment compensation plan, or (b) that if (a) is not true, there will in the future be strong pressure for appropriations out of the Treasury to avoid a deficit in the account created under the bill."

While expressing no opinion on the foregoing the Treasury called attention to the "possible serious consequences" of a policy which contemplated either the removal of the better "risks" from the general social insurance system, or of making provision for greater benefits that the present revenue provisions will sustain. Also, it was concerned with the possible constitutional question involved in the proposal to recoup from the states the amounts already paid into state funds by railroads and to transfer them to the account created under the bill. After stating various objections to administrative sections of the bill, the letter reached its conclusion that "the Treas-

ury Department recommends that the bill . . . be not enacted into law." It adds that "the Department is advised by the Bureau of the Budget that the proposed legislation would not be in accord with the program of the President."

After making his general statement in support of the bill, Mr. Hay filed a memorandum in reply to the Treasury Department's adverse report. He challenged the suggestion that the Administration has indicated that the measure is not in accord with the President's program, calling it "clearly in accord" with the Roosevelt recommendations for railroad relief in that labor contends it will save the carriers about \$5,000,000 a year; "clearly in accord" with the President's social security program, with the recommendations of former Co-ordinator Joseph B. Eastman, and with the exemptions of employees of employers covered by the Railroad Retirement Act.

Expanding on the foregoing, Mr. Hay described himself as "spokesmen of men who are supporters of the President." As to the savings to railroads he described labor's estimate of \$5,000,000 as "a paltry sum" in the eyes of the carriers, "but nevertheless more than I made last year in the law practice." And he thought it would help some at this time when the carriers are in effect "asking to be put on relief," while they shed tears "that would augment the floods of the Middle West" over their financial plight.

Labor, Mr. Hay went on, requested no hearing before the Bureau of the Budget. It thought that Congress had some power and discretion in determining legislative matters. Also, it contends that the proposed set-up will be entirely self-supporting, and believes that general federal unemployment insurance can be avoided only by the adoption of devices that will make state plans workable.

Meanwhile labor's opening statement in support of the bill had been made by Thomas C. Cashen, president of the Switchmen's Union of North America and chairman of the committee on unemployment insurance of the Railway Labor Executives' Association. Mr. Cashen first referred to negotiations conducted in connection with the attempt to get the railroads to go along on an "agreed-to" bill, as was done with the pension plan; and he is "reasonably certain" that some railroads favor the bill. Like Mr. Hay he emphasized labor's contention that the railroads would save money—\$1,000,000 in taxes and over \$3,000,000 in accounting costs. He thinks it "inconsistent" on the part of the carriers to reject this saving when they are "pleading poverty so vigorously;" and "appear to be afflicted with a wage-cutting complex."

In Mr. Cashen's opinion there is no hope for a workable system for railroad employees under the several state administrations. He cited a case of Western Maryland employees who applied for relief in Maryland and were told to apply to Pennsylvania where the railroad tax had been paid. But Pennsylvania also denied relief because the employees involved had performed their pre-furlough work in Maryland.

Representative Wolverton of New Jer-

sey was interested in the bill's provisions to insure that the funds collected under it would be held for the stated purpose—the basis of his question, he said, was the charge that the social security funds are not intact but have been used for the general purposes of government.

L. E. Keller, statistician for the Brotherhood of Maintenance of Way Employees, discussed "some of the practical phases of the problem" from the standpoint of the present "bewilderment." As he saw it the only way out of the present "intolerable" set-up is the federal plan for railway employees. It was Mr. Keller's further view that much of the present unemployment on the railways will become permanent—productivity of employees, he added, has so increased that many railway men "have worked themselves out of their jobs." He also explained that the proposed plan would do more for the lower-paid and junior employees than do present state laws; higher-paid employees and "old heads" would get less than under "typical" state laws. The unwillingness of the railroads, Mr. Keller said at one point, to permit their employees to help them save money "is a surprise" to the workers, especially at a time when the carriers are seeking to cut the wages "of those getting 21 cents an hour."

Col. Young, who served on Association of American Railroads committees negotiating the pension-plan agreement, read a prepared statement which he illustrated with charts. He came to the hearing "with an open mind regarding the ultimate wisdom of a federal unemployment insurance act for railroad employees;" but he is opposed to making the change at this time and objects to the proposed bill for nine reasons which he set forth as follows:

1. The plan is not what it is purported to be—insurance against unemployment. It is, rather, unemployment insecurity for the employees longest in the railroad service.
2. It is not a measure for stabilizing employment, in fact it has a tendency to invite the men with shortest service in the railroad industry to become unemployed.
3. It offers no encouragement to the employer to minimize unemployment.
4. The fund may be inadequate to pay benefits to railroaders with the longest service if they do become unemployed.
5. It assumes one of two things: Either the state laws are too restrictive as to benefit payments or the state tax rate is higher than need be to meet the requirements.
6. The contemplated cost of administration is unnecessarily excessive.
7. It assumes that insurance is a grant at the expense of the state or the employer.
8. In many respects it does not follow the draft bill recommended by the Social Security Board to the states as a guide for their laws.
9. This Bill is inequitable, unduly benefiting short service men at the expense of long service railroaders under the guise of meeting the complexity created by the crossing of state lines in interstate employment which, however, affects less than one-fourth of railway employees; whereas there should be no preference by the Federal

government for one group of men within an industry.

Dr. Julius H. Parmelee, Director of the Bureau of Railway Economics of the Association of American Railroads, began his testimony at the June 1 session of the committee. Dr. Parmelee made it clear at the outset that the railroads were not opposing the bill because they were opposed to any change in existing unemployment insurance laws, but rather that they felt that the present state laws should be given a trial and that the states should have a chance to experiment with them. According to Dr. Parmelee, the bill is "not what it purports to be" and "is not an insurance bill." Also, the railroad witness told the committee that the bill would discriminate against the unemployment insurance systems of the several states, in that railroad employees who are temporarily unemployed would receive five times as much unemployment insurance as other employees.

During Dr. Parmelee's discussion of the bill Representative Withrow of Wisconsin asked him whether, if the bill were actuarially sound, the railroads would favor its enactment. The answer was no. Dr. Parmelee took a hypothetical case and demonstrated to the committee that a railroad man who had earned \$150 during a year could get back \$140 under the proposed law, whereas an employee in any other branch of industry would only receive \$25 insurance for the \$150 earned. Dr. Parmelee thought that this was the grossest form of discrimination. He also charged that the average earnings of railroad employees are completely disregarded in determining the amount and rate of payment.

Representative Withrow asked the witness how many railroad men were getting less than \$600 a year in 1936. Dr. Parmelee did not have the figures and did not think that they were available. Mr. Withrow countered by observing that Dr. Parmelee could get any figures that he really wanted in a very short time. According to the Wisconsin congressman, 20 per cent of all railroad employees fell in this class. Dr. Parmelee also introduced several exhibits to show the contrast between the bill and the unemployment insurance systems of the several states. At the conclusion of the June 1 session Dr. Parmelee stated that at the next session he would show that the cost of the proposed system would be much greater than the brotherhoods had told the committee.

Hearings Begun on Chandler Reorganization Bill

Hearings were begun on June 1 before the House judiciary committee on the Chandler railroad reorganization bill with Chairman Splawn of the Interstate Commerce Commission as the chief witness. Chairman Splawn discussed the history of the bill which would amend Section 77 of the Bankruptcy Act, by setting up a Commissioner of Railroad Reorganizations to handle railroad bankruptcy cases, telling the committee that it was an outgrowth of the work that his committee recently did in preparing its report to the President. He

submitted several exhibits to show the number of roads in receivership or trusteeship and the progress that has been made in getting them reorganized. According to the ICC Chairman, such a change is needed to expedite railroad reorganizations. Chairman Splawn also expressed the belief that little could be done to aid the railroads until there was a general upturn in business.

Representative Chandler, the author of the bill, appeared briefly and urged the committee to report the bill favorably as it was needed to alleviate the ills of the carriers. It is not expected that any action will be taken at this session due to the nearness to adjournment.

B. & O. "Hike-Bike-Camera" Excursion

The Baltimore & Ohio will operate a "Hike-Bike-Camera" excursion on Sunday, June 5, from Washington, D. C., and Baltimore, Md., to Oakland, Md. The round-trip fare will be \$4 on the special train of coaches, diner and recreation car which will leave Baltimore's Mt. Royal station at 7:30 a.m. and Washington at 8:30 a.m.

Rough Handling to be Discussed at Chicago

Terminal superintendents, supervisory forces and claim and prevention officers will meet at Chicago on June 15 to discuss rough handling of freight cars. The meeting, which is being held under the auspices of the Chicago Claim Conference, with the Bureau of Explosives and the General Managers' Association of Chicago co-operating, will pay particular attention to over-speed impacts, which increase with rising temperature. The results of 54,000 individual yard impact meter tests made by the General Managers' Association in Chicago terminals show a preponderance of over-speed impacts in warm weather.

"Guest Engineers" on the Hiawatha

As part of the ceremony to celebrate the completion of the third year of the operation of the Hiawatha of the Chicago, Milwaukee, St. Paul & Pacific between Chicago and the Twin Cities, engineers who pilot the Chicago, Burlington & Quincy Zephyrs and the Chicago & North Western's "400" between these cities, were guests on the Hiawatha on May 29, riding on the locomotive with the Hiawatha engine crews. On the anniversary trip of the Hiawatha passengers were treated to birthday cake and presented with button-hole bouquets. Nearly 900,000 paying passengers have traveled on the Hiawatha and its extra sections since it began service on May 29, 1935.

Sue to Force Acceptance of Fruit in Bags

A suit to force the Atchison, Topeka & Santa Fe and the Southern Pacific to accept shipments of citrus fruits packed in certain types of bag containers was filed in the federal district court at Chicago on May 26 by the Bemis Brothers Bag Company, the Chase Bag Company and the Fulton Bag and Cotton Mills. In their complaint, the manufacturers charged that

the carriers refused to accept carload shipments of citrus fruits packed in woven waterproofed paper-fabric bags and open-mesh cotton-fabric bags for transportation from Redlands, Cal., to Chicago, New York and other destinations east of the Mississippi river. The companies asked the court to direct the railroads to accept shipments of fruits packed in these containers. The complaint states that the companies had offered to sign a waiver releasing the defendant railroads and their connecting lines from any liability for loss and damage to the shipments and that while the bags are not authorized containers under tariff provisions, they are reasonably safe and practicable containers for the transportation of citrus fruits. The manufacturers also contend they had requested the railroads to accept certain shipments as test shipments, but the carriers declined to accept them.

Pension Act Amendment

Representative Havenner of California has introduced in the House of Representatives a bill (H. R. 10766) to provide that World War service of railroad employees in the army, navy or marine corps shall be considered as part of their "years of service" in the calculation of annuities under the Railroad Retirement Act, except "as to such military or naval service as may be used as the basis for entitlement to any pension, compensation, or retirement benefit from the United States government."

30 Days Notice Before Taking Off Mail Train

The House committee on post offices and post roads voted on May 27 to report favorably the bill (H. R. 10590) which would require railroads to give 30 days advance notice to the Postmaster General of the discontinuance of any train on which mails are carried. Also, it provides that "the company shall not be relieved of the duty of carrying the mails on such trains unless such notice is given." As introduced by Representative Leucke of Michigan the bill would have required 60 days notice.

Former Commissioner Tate Dies

Hugh M. Tate, former Interstate Commerce Commissioner and more recently associated with the commission's legal department, died at his home in Washington on May 29 at the age of 55. Mr. Tate was appointed to the commission by President Hoover on February 8, 1930, and served until July 29, 1937, when President Roosevelt appointed John L. Rogers to take his place. Since that time Mr. Tate has been associated with the commission's legal department doing special legal work.

Hugh McCall Tate was born at Morristown, Tenn., on September 15, 1882, and practiced law in that state for many years. From 1918 to 1920 he was judge of the eleventh chancery division of Tennessee, and from 1905 to 1909 he was county attorney of Hamblen County. He was graduated from the University of Tennessee in 1902 and received his B.L. degree in 1903. From 1903 to 1909 he was a member of the law firm of McCanless and Tate at

Morristown, from 1909 to 1910 a member of the firm of Luck, Fowler, Andrews & Tate at Knoxville and from 1910 to 1918 a member of the firm of Green, Webb & Tate, of Knoxville. From 1920 to the time of his appointment in 1930 he was a member of the firm of Cates, Smith, Tate & Long. He also held the commission of captain in the Tennessee National Guard and was a trustee of the Lawson McGhee Library at Knoxville.

Southern Cuts Time of Skyland Special

The Southern has bettered service between Florida and the Great Smoky mountain region by cutting the running time of the Skyland Special from Jacksonville, Fla., to Asheville, N. C., by two hours, effective May 29. Through sleeping car service to the mountain region has also been augmented. The road has inaugurated a new sleeping car service between Asheville, N. C., and New Orleans, La., via Oakdale, Tenn., effective May 31. Previous to this a sleeping car service had been placed in operation from Miami, Fla., to Asheville, via Jacksonville and the Skyland Special. In addition, the sleeping car line between Nashville, Tenn., and Knoxville, Tenn., has been extended to Asheville.

Zephyr Veterans Meet Again

More than 60 members of the Dawn-to-Dusk Club, consisting of railway men, supply men and newspaper men who made the first non-stop run from Denver to Chicago on the original Burlington Zephyr, met for dinner at the Palmer House, Chicago, on May 28, to commemorate the fourth anniversary of the run. A movie cartoon was shown portraying the adventures and misadventures that attended the record-breaking event. H. L. Hamilton, chairman of the board of the Electro-Motive Corporation served as toastmaster, and announced that, in the short space of four years since the run was made, the mileage of Diesel-electric operated passenger trains has increased until 25,000 miles per day are now being made, of which the Burlington is responsible for 6,000. Ralph Budd, president of the Burlington, also reviewed briefly the developments that have taken place since the memorable run, and announced that about June 15, the Burlington will complete five million miles of Diesel-electric passenger train operation.

No Action on RFC Rail Loan Bill

No action was taken in either House of Congress on the Wagner-Steagall RFC rail loan bill during the past week, and indications are that none will be forthcoming during the remainder of the session. In the Senate the bill has been recommitted to the Senate banking committee for further hearings, but to date Chairman Wagner has shown no inclination to set any hearings. On the House side the bill has been favorably reported and is on the calendar, but the leadership has decided to take no further action until the Senate acts.

Meanwhile, Representative Boland of Pennsylvania has introduced in the House H. Res. 507, requesting the Interstate

Commerce Commission and the Reconstruction Finance Corporation to furnish to the House (1) "such information as they may have available relating to the present condition of the railroads of the United States and the possibility of improvement in such equipment so that railroad transportation may be made as economical and efficient as modern methods may make them; and (2) such information as they may have available relating to the financial condition of the railroads and particularly the amount, terms, and possibility of repayment of their indebtedness to the United States and its agencies; and (3) such recommendations as they may desire to make relating to changes in the policy of Government loans to railroads in order that their physical equipment may be rehabilitated."

Mexican Rebels Derail Train

The Sunshine Special, operating over the National Railways of Mexico, was derailed on May 26 near Jaral de Berrio, Gto., by rebels fighting under General Saturnino Cedillo, who were reported to have pulled spikes from the rails. No passengers were hurt, although the locomotive, the express, the baggage and three passenger cars were overturned.

Western Maryland to Install Air-Conditioned Coaches

The Western Maryland will place modernized air-conditioned coaches in service on main line trains Nos. 3, 9, 10 and 2 between Baltimore, Md., and Elkins, W. Va., and on train Nos. 5 and 6 between Baltimore and Hagerstown, Md., effective June 9. Reconditioned in the road's shops, the car interiors have been completely remodeled and equipped with individual reclining seats. Individual ceiling-mounted side lamps over each seat have also been installed. One of four of the modernized coaches to be turned out of the shops at the beginning of next week will be placed on exhibition on June 7 at Baltimore and Cumberland, Md., and on June 8 at Hagerstown and Elkins.

Hobbyist Jaunts Scheduled

Railroad Enthusiasts, Inc., Philadelphia division, will participate with camera enthusiasts in a trip sponsored by a photographic supply company to Hershey, Pa., on June 12. Traveling by the Reading's streamliner, the Crusader, the group will leave Reading terminal, Philadelphia, Pa., at 9:30 a. m.

The New York division has organized an inspection trip from New York to the New York Central's locomotive and equipment shops and roundhouse at Harmon, N. Y., on the afternoon of Saturday, June 18. At Harmon the party will inspect operating facilities for electric and steam locomotives and ample opportunity will be provided for the snapping of photographs. The party leaves Grand Central terminal at 1:20 p. m. (d. s. t.).

Club Meetings

The Metropolitan Traffic Association of New York announces a lecture on the presentation of rate adjustments to be given at

the Hotel Imperial, New York, on June 9. Special services will be discussed in a talk to be presented on June 23.

The Society of Automotive Engineers during its summer meeting, to be held on June 12-17, at the Greenbrier, White Sulphur Springs, W. Va., will hold a session devoted to discussions of the operation of trucks, buses and rail-cars, on June 13.

The Toronto Railway Club has scheduled its annual summer meeting for Saturday, June 4, at the General Brock Hotel, Niagara Falls, Ont. Hon. Leopold Macaulay, K. C., member of the Canadian Parliament is the main speaker. A golf tournament has been arranged at the Lookout Point Golf Club.

Central Places Two Budd Cars in Service

Two streamlined air-conditioned coaches, built for the New York Central by the Edward G. Budd Manufacturing Co., have recently been placed in service between New York and Chicago on the Commodore Vanderbilt and the Water Level Limited. Of lightweight, welded construction, with stainless steel underframes of regular Budd design, the bodies rest upon four-wheel, cast steel equalizer trucks.

Each car measures 79 ft. 10 in. over couplers in normal position, and 77 ft. over the end frame, and seats 52 in the main compartment. To better utilize available space the designers have placed a vestibule platform at one end only. The interiors are finished in a light gray, with ivory ceilings, while the upholstery is of rust-colored mohair fabric.

Santa Fe to Improve Grand Canyon Service

Improved service to the Grand Canyon will be provided by the Atchison, Topeka & Santa Fe on June 12 through the re-routing of the Grand Canyon Limited and the Navajo. The Grand Canyon Limited will operate over the Belen cut-off through Amarillo, Tex., instead of over the Northern district by way of La Junta, Col. It will leave Chicago at 10:00 a. m. instead of 1:45 a. m. as at present and will arrive at Los Angeles at 8:15 p. m. the third day instead of 1:00 p. m. Returning it will leave Los Angeles at 8:15 a. m. instead of 11:45 a. m. and will arrive in Chicago at 8:50 p. m. instead of 7:50 a. m. The Navajo will operate over the Northern district by way of La Junta instead of through Amarillo over the Belen cut-off. It will leave Chicago at 1:45 a. m. instead of 10:20 a. m. and will arrive in Los Angeles at 12:05 p. m. instead of 8:35 p. m. Returning it will leave Los Angeles at 2:00 p. m. instead of 8:00 a. m. and will arrive in Chicago at 6:45 a. m. instead of 8:45 a. m. the third day.

Under the new arrangement, the Grand Canyon Limited will carry Grand Canyon cars from Chicago to Williams, Ariz., but will not pick up Grand Canyon cars at Williams destined for Los Angeles as at present. On its return trip, this train will not carry Grand Canyon cars out of Los Angeles as at present, but will pick up Grand Canyon cars at Williams for Kansas City, Mo., and Chicago. The Navajo

will not carry Grand Canyon cars out of Chicago as at present, but will pick up Grand Canyon cars at Williams for Los Angeles. On its return trip it will carry Grand Canyon cars out of Los Angeles but will not pick up Grand Canyon cars at Williams for points beyond.

H. D. Pollard Explains Wage Cut Proposal

H. D. Pollard, receiver of the Central of Georgia, has prepared for distribution a two-page statement of the road's reasons for participating in the wage reduction proposal made public on May 12. In a preliminary statement he states as his opinion that "the public generally, and railway employees in particular, are entitled to know the reasons that cause the railroads to take steps for a reduction in wages." He goes on to say that, personally, the prospect of a wage reduction is distasteful. He points out that he was a member of the conference committee that negotiated the agreements granting wage increases effective August 1 and October 1, 1937.

There then follows a brief discussion of the recent falling off in traffic and revenues and the Commission's disappointing freight rate decision. "Under these conditions," he writes, "I can see only one course that holds out any hope for the property and the people that make their living from it. That is to decrease expenses, including the expenditure for wages. If that cannot be accomplished I can foresee nothing but the gradual drying up of the railroad, with a consequent continuation of decreases in force, abandonment of mileage, reduction in train service and eventual dismemberment."

And while, as he says, it is embarrassing to acknowledge such a probability, Mr. Pollard is of the opinion that it is his duty "to let our own people and the public know the situation."

Mixed Note in N. Y. Week-end Travel

Unfavorable weather predictions and a changeable, uncertain sky, coupled with generally depressed business conditions, gave foundation for any but optimistic estimates for the Memorial Day week-end travel in and out of New York city. Nevertheless, passenger men on the majority of roads found passenger volume over the holiday period to be "about the same" as the corresponding period of last year and in the case of at least one road an actual increase was reported.

The Baltimore & Ohio passenger department announced an increase over last year of at least 15 per cent, which was due to some extent to the special business brought by the big Baltimore Maryland "sing fest" held over the week-end. A generally cool temperature also tended to drive holiday seekers southward, perhaps. The Delaware, Lackawanna & Western was surprised to find that business fell but one tenth of one per cent under last year. The mountain resort business fell below, but an increase in the long-haul volume compensated therefor.

The Erie reported a five per cent decrease in volume at the most but estimated

that revenue was about equal for both years; that is, the customers traveled farther.

The Central of New Jersey's rail traffic just about equalled that of last year; due to bad weather, the Sandy Hook steamer route suffered a 50 per cent decline. The New Haven, reported that business was "just about the same as last year," while the New York Central and the Lehigh Valley believed their volume to be "not quite as good as last year." The New York, Ontario & Western figure was somewhat below last year, but actual figures were not yet compiled at time of writing. The Pennsylvania, also, had not yet been able to arrive at a comparison.

Reshipment Rule in Stocker-Feeder Tariffs

Examiner Frank M. Weaver has recommended in a proposed report that the Interstate Commerce Commission find unreasonable and unjustly discriminatory the tariff rule which makes reshipment by rail carriers a condition precedent to the application of stocker-feeder rates on stocker-feeder livestock between points in British Columbia, Arizona, California, Idaho, Montana, Nevada, western New Mexico, Oregon, Utah and Washington, on the one hand, and territory east of those states, on the other.

The report in No. 27674, *The Matador Land and Cattle Company, Limited, v. the Atchison, Topeka & Santa Fe Railway Company et al.*, would also require the cancellation of the rule; find unreasonable the applicable rates on 10 carloads of stocker cattle shipped from Russellville, Tex., to South Fontana, Calif., during July, 1934; and direct defendants to waive collection of outstanding undercharges.

"Under the assailed rule," the examiner says in his conclusion, "the rates on stocker-feeder livestock to pasture and feed points vary according to the type of transport selected by the shippers of fat or ordinary livestock for the movement of such stock from the pasture or feed points,

although the shippers of the fat stock may not have been parties to the transportation of the stockers and feeders. The rule permits defendants to collect different rates from different shippers for the transportation of stocker-feeder livestock shipped from and to the same points under like circumstances and conditions. It penalizes those who ship stocker-feeder livestock in interstate commerce if intrastate shippers do not forfeit their legal right to select the more efficient highway service for the transportation of their fat or ordinary livestock between intrastate points.

"Once let it be conceded that rail carriers have the right to make their local rates on stocker-feeder livestock, or any other commodity, subject to the restrictions contemplated by this rule and no one can then deny that motor carriers have a similar right, but the exercise of such a right by both rail and motor carriers would eliminate competition between those carriers and thus remove the only important public benefit resulting from the maintenance of two types of transport.

"Defendants argue at length about abuses and misuses of stocker-feeder rates, but all they have shown is that one of the eight factors which the commission took into account when it fixed the level of the existing stocker-feeder rates, namely the subsequent movement factor, is no longer present insofar as movements from California feed and pasture points are concerned. If the commission is of the view that the partial absence of this one factor may make the present level of the stocker-feeder rates too low, it should, of course, reopen and reconsider."

Freight Car Loading

Loading of revenue freight for the week ended May 21 totaled 545,808 cars, an increase of 3,995 cars or 0.7 of one per cent above the preceding week, but a decrease of 229,266 cars or 29.6 per cent below the corresponding week in 1937 and a decrease of 382,951 cars or 41.2 per cent below the same week in 1930. All commodity classi-

fications except grain and forest products showed increases over the preceding week, while all commodity classifications except grain showed decreases under last year. The summary, as compiled by the Car Service Division, Association of American Railroads, follows:

Revenue Freight Car Loadings

For Week Ended Saturday, May 21

Districts	1938	1937	1936
Eastern	120,302	168,803	152,075
Allegheny	98,935	163,693	137,608
Pocahontas	33,085	49,126	46,484
Southern	86,166	106,035	94,207
Northwestern ..	70,731	126,929	106,562
Central Western	91,793	106,451	93,961
Southwestern ..	44,796	54,037	52,693
Total Western Districts	207,320	287,417	253,216
Total All Roads.	545,808	775,074	683,590
Commodities			
Grain and Grain Products	32,160	25,705	31,350
Live Stock	13,367	13,698	11,153
Coal	87,200	117,283	106,160
Coke	4,112	10,093	8,191
Forest Products ..	25,871	41,579	33,414
Ore	14,103	72,281	46,856
Merchandise l.c.l.	148,767	170,312	162,094
Miscellaneous ..	220,228	324,123	284,372
May 21	545,808	775,074	683,590
May 14	541,813	769,560	681,408
May 7	536,140	763,495	668,866
April 30	543,075	777,827	670,888
April 23	523,767	756,248	665,949

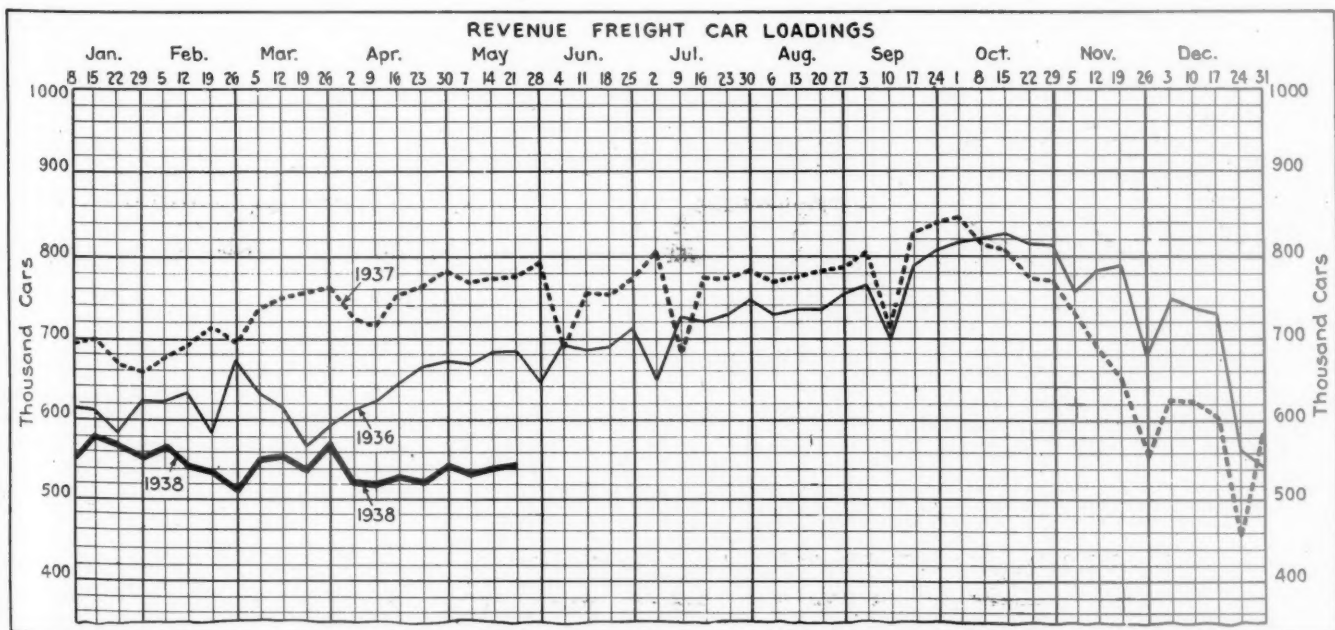
Cumulative Total,
20 Weeks ... 10,908,393 14,485,107 12,616,414

In Canada.—Car loadings for the week ended May 21 totaled 44,941, as against 45,568 for the previous week and 50,219 for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
May 21, 1938	44,941	20,511
May 14, 1938	45,568	19,796
May 7, 1938	44,818	20,379
May 22, 1937	50,219	28,072
Cumulative Totals for Canada:		
May 21, 1938	886,640	432,508
May 22, 1937	949,742	570,598
May 16, 1936	857,930	473,221

Superintendents' Convention Program

The program for the forty-fourth annual meeting of the American Association of



Railroad Superintendents, which will be held at the Hotel Stevens, Chicago, on June 7-9, contains a number of innovations designed to increase the value of this convention to the railways and to their operating officers in attendance. These innovations include a symposium on Tuesday afternoon on the general theme, What the Shipper Wants, with presentations by four traffic managers of large industries who will point out those phases of the service of competing transportation agencies which are causing them to route portions of their traffic to these other agencies. Opportunity will also be afforded the members to view several of the newer streamlined trains that are in operation or about to be placed in operation. The program is as follows:

TUESDAY, JUNE 7

Morning Session—10 A. M.

Opening address on behalf of Chicago railroads—by A. N. Williams, president, C. & W. I. Belt Railways, Chicago.
Address by the President—W. A. Aiken, Jr., superintendent of transportation, R., F. & P., Richmond, Va.
Report of Secretary-Treasurer F. O. Whiteman.
Report of Committee on What the Superintendent Can Do to Reduce the Hazard at Grade Crossings, followed by moving pictures showing modern forms of crossing protection; R. W. Rogers, Chairman (assistant general manager, S. A. L., Savannah, Ga.).

Afternoon Session—2 P. M.

What the Shipper Wants—A symposium, with addresses by traffic officers of large industries.
W. J. Williamson, general traffic manager, Sears, Roebuck & Co.
W. A. Mayfield, manager transportation department, Swift & Co.
Lee J. Quasey, commerce counsel, National Livestock Marketing Association.
R. L. Toolin, division traffic manager, Great Atlantic & Pacific Tea Company.
Report of Committee on Meeting Today's Demands in the Handling of L.C.L. Traffic; E. G. O'Brien, Chairman (assistant to general superintendent transportation, C. P., Montreal, Que.).
Adjournment at 4 p. m.—For inspection of new streamlined trains.

WEDNESDAY, JUNE 8

Morning Session—9:30 A. M.

Report of Committee on Operating Problems of Fast Freight Train Service, followed by moving pictures showing centralized traffic control; P. M. Shoemaker, Chairman (superintendent freight transportation, N. Y., N. H. & H., New Haven, Conn.).
Report of Committee on the Selection and Early Training of Railway Employees to Meet the Problems of Expanding Organizations; F. B. Whitman, Chairman (assistant to general manager, C., B. & Q., Omaha, Neb.).

Luncheon—12:30 P. M.

Address on the Superintendent in Today's Transportation Picture—by L. W. Baldwin, chief executive officer, Missouri Pacific System, St. Louis, Mo.

Afternoon Session—2 P. M.

Report of Committee on Securing Maximum Utilization of Locomotives; E. C. Gegenheimer, Chairman (superintendent, Penna., Altoona, Pa.).
Address on Some of Today's Problems in Car Distribution—by W. C. Kendall, Chairman, Car Service Division, Association of American Railroads, Washington, D. C.
Report of Committee on What a Superintendent Can Do to Secure Maximum Utilization of Freight Cars; J. W. Rea, Chairman (general superintendent, M. P., Kansas City, Mo.).

THURSDAY, JUNE 9

Morning Session—9:30 A. M.

Report of Committee on the Superintendent's Responsibility for Public Relations, Including the Training of Employees Therein; W. E. Fuller, Chairman (assistant to vice-president, C., B. & Q., Chicago).
Closing Business.

On Thursday afternoon, members will inspect the newly reconstructed classification yards and the newly installed car retarder system at the Clearing Yard of the Belt Railway.

A. S. M. E. Semi-Annual Meeting Slated for Week of June 20

The program for this year's semi-annual meeting of the American Society of Mechanical Engineers, to be held in the Hotel Statler, St. Louis, Mo., June 20 to 23, inclusive, has been announced. Fifteen sessions sponsored by professional divisions and technical committees of the society will cover a wide range of subjects, a number of which are of interest to railroad men. A so-called smoke abatement luncheon is slated for Tuesday, June 21, at 12:30 p. m., during which Raymond R. Tucker, St. Louis commissioner of smoke regulation, will tell something of the past, present and future of the smoke abatement program in his city. His remarks will be supplemented in a brief talk by Osborn Monnett, of Detroit, Mich., who has served as a consulting engineer in smoke abatement work in St. Louis. Monday, Wednesday and Thursday afternoons will be devoted for the most part to inspection trips of significant industrial developments in St. Louis and vicinity. The main banquet of the session will be held on the evening of Wednesday, June 22, while the fourth Calvin W. Rice lecture, by W. R. Barclay of the Mond Nickel Co., Ltd., London, England, on the subject "Some Metallurgical Contributions to Engineering Progress," will be presented on the afternoon of Tuesday, June 21.

Among papers of particular interest to railroaders to be presented are:

Tuesday morning, June 21

Locomotive Axle Testing, by T. V. Buckwalter, vice-president, Timken Roller Bearing Co.; O. J. Horger, research engineer, Timken Roller Bearing Co., and W. C. Sanders, general manager, railway division, Timken Roller Bearing Co., Canton, Ohio.
The Drafting of Steam Locomotives, by J. R. Jackson, engineer of tests, Missouri Pacific.
Carbonaceous Zeolites—An Advance in Boiler-Feedwater Conditioning, by Howard L. Tiger, vice-president in charge of Research and Development, the Permutit Co., New York.
Boiler-Water Treatment—New Methods for Preventing Embrittlement, by F. G. Straub, and T. A. Bradbury, chemical engineering department, University of Illinois, Urbana, Ill.
Boiler Operation as It Affects Prime Movers, by S. E. Tray, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.
The Behavior of Sodium Sulphite in High-Pressure Steam Boilers, by R. M. Hitchens, Monsanto Chemical Co., St. Louis, Mo., and J. W. Purcell, Boston Edison Co.

Tuesday afternoon, June 21

An Oil-Bath-Lubricated Railway Bearing, by Albert Vigne, vice-president, National Bearing Metals Co., and I. Eugene Cox, research engineer, National Bearing Metals Co., St. Louis, Mo.
Influence of Pressure on Film Viscosity in Heavily Loaded Bearings, by S. J. Needs, research engineer, Kingsbury Machine Works, Inc., Philadelphia, Pa.

Wednesday morning, June 22

Oxy-Acetylene Surface Hardening, by A. K. Seemann, Linde Air Products Co.
Welding Applied to Plant Maintenance and Repairs, by H. R. Wass, consulting engineer, Bonne Terre, Mo.
Arc-Welding Costs, by E. W. P. Smith, consulting engineer, Lincoln Electric Co., Cleveland.

Hearings Held On Land Grant Rate Bill

Hearings on the Lea Land Grant Rate bill, H.R. 10620, which would require the government to pay the going commercial rate on all its shipments, but reserving the right to legislate rates on specific commodities, were begun before the House committee on interstate and foreign commerce on May 31. Commissioner Eastman led off for the proponents of the bill, tell-

ing the committee at the outset that he was speaking only for himself and not as a member of the commission. Commissioner Eastman began his discussion by reciting the history of the land grants to the railroads and pointed out to the committee that his research showed that the government has not received back as much as the lands were worth at the time that the grants were made to the railroads.

According to the commissioner, at the present time the government gets a 20 per cent reduction in the charge for carrying the mail on the land grant roads while freight and passengers are carried for one-half the regular commercial rate. Mr. Eastman also called the committee's attention to the fact that the government traffic is increasing from year to year with the result that the burden on the carriers is becoming greater each year. It was his opinion that the government could afford to be generous at this time when the railroads need help so badly and grant them this small amount of aid, which, according to his estimates, would be in the vicinity of \$7,000,000 a year based on last year's traffic.

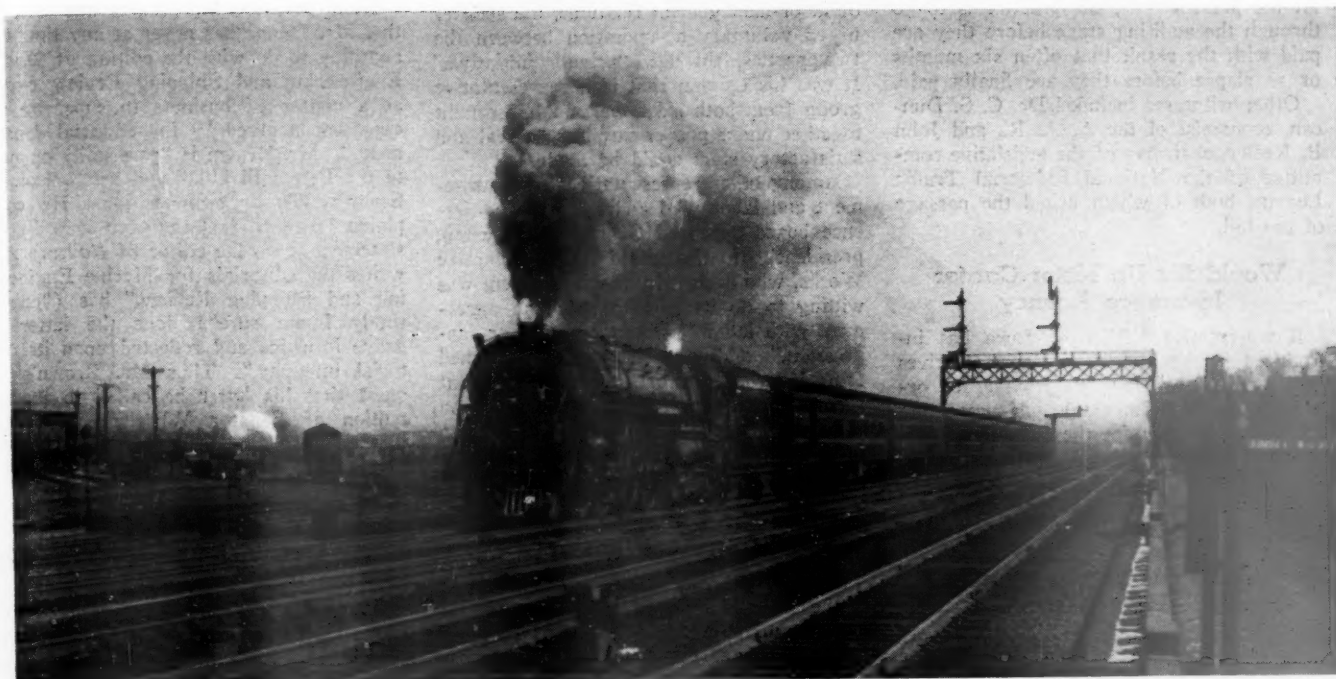
Commissioner Eastman also told the committee that the passage of this bill would displace a number of government employees in the Procurement Division of the Treasury who are engaged in the work of computing the various land grant rates. Mr. Eastman would have the government take care of these displaced employees either by granting them a settlement along the lines of the agreement between railroad management and labor which takes care of employees displaced by coordination or consolidation, or providing other jobs for them. Commissioner Eastman ended his testimony by pointing out to the committee that the passage of this bill might have a tendency to force the government, in some cases, to utilize trucks to haul freight which the land grant roads had formerly carried.

This same thought was again injected into the hearing when Edmund Heyge of the Procurement Division of the Treasury testified that a considerable portion of the government business would be diverted to competing forms of transportation. He also pointed out that the passage of the bill would tend to disrupt competition in bidding for government contracts, citing the fact that contractors on the West Coast would not be able to bid on Mississippi Valley projects because of the higher freight rate from the West Coast. He said that the Treasury was not taking a position on the bill, but that he was simply "giving the committee the facts of the case" so that they could make an intelligent decision.

Representatives of the War Department appeared and urged that the committee include an amendment to the bill exempting all war materials and personnel. The committee was told that unless this amendment were included, the War Department would have to have an extra \$500,000 for increased freight and passenger costs.

At the June 1 session, John G. Corbett, national legislative representative of the Brotherhood of Locomotive Engineers, urged the committee to favorably recom-

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mend the bill and concluded by saying that the passage of this bill might have the effect of saving the railroads from being forced to resort to a wage cut.

Judge R. V. Fletcher, vice president and general counsel of the Association of American Railroads, appeared and urged an amendment providing that the government should pay the going commercial rate on all mail transported. He also wanted a provision to the effect that bills owing to the carriers should be paid immediately upon presentation and audited afterwards. At the present time, the practice is to go through the auditing stage before they are paid with the result that often six months or so elapse before they are finally paid.

Other witnesses included Dr. C. S. Duncan, economist of the A. A. R., and John B. Keeler, chairman of the legislative committee of the National Industrial Traffic League, both of whom urged the passage of the bill.

Would Set Up Motor Carrier Insurance Agency

Representative Eicher of Iowa has introduced in the House of Representatives a bill (H. R. 10715) "to provide for organizing a governmental self-supporting insurance company for the purpose of furnishing insurance of all kinds to motor truck operators when such insurance cannot be procured from private companies at reasonable rates. . . ."

Harriman Urges Management-Labor Confabs—Minus Government

Relations between labor leaders and management in the railroad field were selected as an outstanding example of management-employee "get-togethers" without government intervention, by W. A. Harriman, chairman, Union Pacific, in an address presented on May 26 at the 22nd annual meeting of the National Industrial Conference Board, in New York. Presenting a program for "co-ordination of government, labor and management," the speaker emphasized that results are best when management and employees come to an understanding on fundamentals, without arbitration or intervention by governmental agencies. In this connection, he expressed praise of "the constantly improving relationship that has developed between labor leaders and management in the railroad field."

Commenting further along this line, he declared: "In recent years in spite of conflict on certain policies, railroad management and railroad labor have come to an understanding on a number of matters of importance and have joined in requests for and against legislation, and in other instances have come to understandings without government intervention. I am satisfied that greater progress in this direction can and will be made in the future."

Speaking of government intervention in labor disputes Mr. Harriman presented as a truism the fact that government "cannot sit at a round table," but must of necessity "sit at the head of the table." When voluntary co-operation fails, he said, then "government can bring management and labor together to attempt to reconcile differences, to act as arbitrator, which, in the last anal-

ysis, is dictation." Proceeding further in his consideration of government arbitration, he pointed out that "in a discussion of this type, management and labor will inevitably be drawn into arguing their points of view before government, which makes mutual understanding difficult. As a result, government will be forced to decide between them, and dictation is inevitable. I am convinced that neither management nor labor wants to go that route."

Dismissing the way of government intervention, therefore, as a satisfactory basis of labor-management relations, the speaker urged voluntary co-operation between the two parties, through "private initiative." It was his opinion that if a representative group from both sides were to be brought together under proper auspices "a real and satisfactory start could be made."

Among other representatives of management and labor who addressed the conference board appeared George H. Houston, president of the Baldwin Locomotive Works, who declared that management was willing to do its part to reach an agreement with labor "without coercion or suppression," adding that employers asked from labor only efforts toward permanent recovery and from government only an open mind "and a willingness to co-operate in removing the obstacles to recovery which lie within the field of public policy."

Editor of "Marine Engineering" Corrects Wheeler

Senator Wheeler of Montana inserted in the May 28 issue of the Congressional Record a letter which he had received from H. H. Brown, editor of the Simmons-Boardman Publishing Corporation's *Marine Engineering and Shipping Review*, asserting the editorial independence of that publication and correcting the Montanan's statement of May 23 that Samuel O. Dunn, chairman of the Simmons-Boardman Publishing Corporation and editor of its *Railway Age*, had written a *Marine Engineering and Shipping Review* editorial in opposition to passage of the Pettengill bill to repeal the long-and-short-haul clause of the Interstate Commerce Act's fourth section.

The statement to which Mr. Brown took exception was made when Senator Wheeler, as reported in last week's issue, inserted into the Congressional Record an article from the May 21 issue of *Traffic World*, which juxtaposed under a "Well, Which Do You Mean?" caption the above-mentioned *Marine Engineering and Shipping Review* editorial and another in which *Railway Age* favored passage of the Pettengill bill. Senator Wheeler inserted the letter "in fairness to Mr. Brown," pointing out how the latter had called his attention to the fact that "Mr. Dunn is the editor of one periodical and he (Mr. Brown) is the editor of the other, and that Mr. Dunn did not write the editorial in the *Marine Engineering and Shipping Review*." However the Montanan called attention to the fact that "the same corporation owns both periodicals."

In his letter Mr. Brown revealed that for 30 years he has been editing *Marine Engineering and Shipping Review*, which was acquired by the Simmons-Boardman Publishing Corporation 18 years ago. He

goes on to say that while Mr. Dunn is chairman of the latter, he "does not in any way dictate the editorial policy of *Marine Engineering and Shipping Review*;" and at no time during the 18 years of Simmons-Boardman ownership "has Mr. Dunn written a single editorial for the paper or directed the way in which any editorial for it should be written nor has he ever read a single editorial before it was published or told me what policy to advocate or oppose in any editorial that has been published in the paper."

Next Mr. Brown assures the Senator that Mr. Dunn "has never at any time had anything to do with the editing of *Marine Engineering and Shipping Review* except as a matter of business to supervise the expenses incurred by the editorial department." Mr. Brown is "personally opposed to the Pettengill bill;" and he "welcomes" Senator Wheeler's opposition. He complains, however, that the Montanan, by his statement that "the editor of *Railway Age* writes the editorials for *Marine Engineering and Shipping Review*," has ("unwittingly I am sure") done the latter "a grave injustice and reflected upon its editorial integrity." Thus Mr. Brown's request that his letter be called to the attention of Senator Wheeler's colleagues in the Senate and printed in the Congressional Record.

Full-Crew Law Sent Back for Hearings

(Continued from page 954)

tution must operate as a check"; that, otherwise, state regulations might burden and injure commerce between the states.

Considering the cost of the act further, the court held that in view of the "precarious" financial position of the carriers, the relative cost of compliance with the act must be considered, and added that imposition of a burden on the roads "may react inimicably to the public's interest and to the interest of railroad employees as well."

In answer to the argument that the state had successfully enacted a full-crew bill in 1911, the court reviewed fully the improvements in operation made by the Pennsylvania and other railroads since that date, and cited the lessened need at present of "flagmen" and the "vast reduction in the inspectional duties of operating crews." Relating these findings to the full-crew act of 1937, the court found that, in each case, there is no need for the extra train-service employees required by the act.

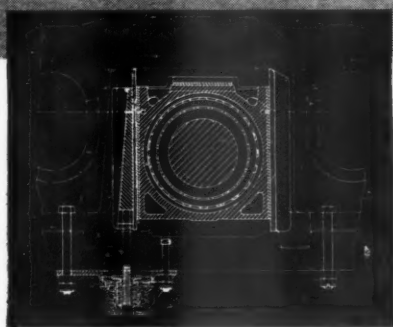
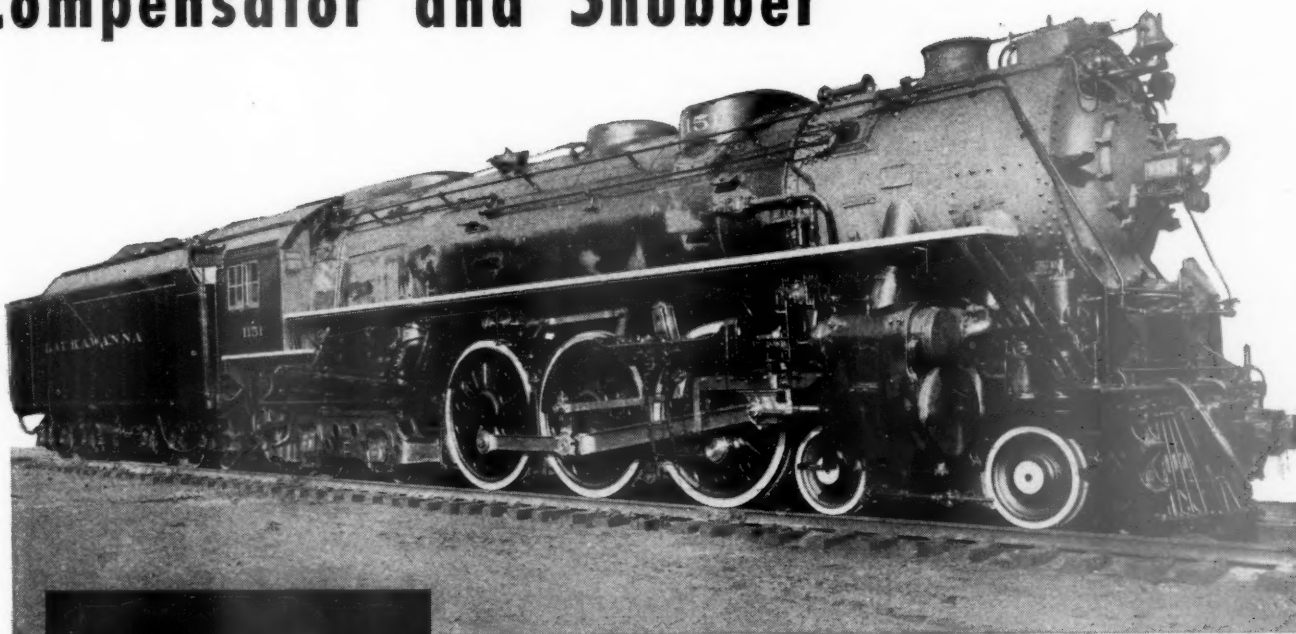
By this decision, the issue is returned to the court of original jurisdiction for further hearings. The court made it clear that it had reviewed the record only from the viewpoint of continuing the restraining injunction.

Owosso Toasts the R. R. Industry

(Continued from page 953)

and operating officers of the three lines into Owosso; the boy and girl essay contest winners, "Miss Casey Jones" Scarlett who announced the beginning of "Railroad

FRANKLIN AUTOMATIC Compensator and Snubber



Protects Roller Bearings

The Delaware, Lackawanna and Western recently placed in service five 4-6-4 type locomotives that are among the most powerful of this type ever built. » » » Driving boxes are fitted with roller bearings. These, in turn, are protected by Franklin Automatic Compensators and Snubbers. » » » Roller bearings require that the exact initial tol-

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Day"; the city's oldest active railroad employee and his wife among the honor guests; several state officials and a large table set aside for retired railroad men and their wives. The Grand Trunk orchestra furnished music. The hall was decorated with lighted railroad lanterns, railroad placards and a flashing crossing signal functioned throughout the dinner. A locomotive bell served as the banquet and speech-making signal. The waitresses wore engineer's caps. Samuel O. Dunn, chairman of the Simmons-Boardman Publishing Corporation and editor of *Railway Age* was the speaker of the evening, (his address having been summarized in last week's issue).

The local officers of the railway labor organizations played an important part in the success of the enterprise, naming a three-man committee from among their number to oversee the labor organizations' participation in the affair.

Owosso citizens are reported as enthusiastic about the success of the celebration and all the participants believe it materially advanced the cause of better understanding of railway problems. The opinion is expressed that a publicized message of this kind is of peculiar value to railway employees at a time when business and competitive conditions have necessitated heavy furloughing—so that the general public may have a better appreciation of their plight and the conditions which have caused it.

Other Michigan cities are believed to have had their interest aroused by the Owosso celebration—and to be desirous of emulating the example.

Protection of Labor in Mergers Urged by Beatty

Sir Edward Beatty, president of the Canadian Pacific, reiterated before the Dominion Senate committee investigating railways in Ottawa last week his stand in favor of unification of Canada's two major railway systems. Such unification, he said, would "remove the greatest danger" which the Dominion faces as a nation, and would save 75 million dollars annually on a basis of 1930 traffic and 50 millions on 1937 traffic.

Sir Edward told the committee he had reluctantly decided that unification was the only way out of the present difficulty. The only alternatives suggested had been "co-operation," which had failed, and a policy of doing nothing which deserved no consideration.

"If we were two privately-owned companies we would have unified long ago," declared the C. P. R. head, and the two roads would have been in a much better position than they were today.

Senator Raoul Dandurand said that it was probable the people of Canada were as opposed to unification or amalgamation as was the Duff Commission, which studied the railway problem several years ago, and he asked if the two railways, recognizing this public opposition to amalgamation, would get together and try again to make real economies by co-operative action.

"The railways would proceed as far as they could to co-operate," replied Sir Ed-

ward, "and if traffic became thoroughly depressed and got down to the level of 1932 and 1933 they would be compelled to make drastic economies individually."

"You have a statute now (the 1933 legislation) that hasn't worked," Sir Edward continued, "but we will continue to operate under it and make economies under it and be compelled also to make drastic economies or curtailment of services as a temporary measure, only. It is a permanent solution, though, that I seek."

"Your argument is in effect this," queried Senator Arthur Meighen, "that if we go as far as we want to go under 'co-operation' we will get the same evils as we fear will result from unification?"

"Exactly," replied Sir Edward.

The head of the C. P. R. was subjected to close questioning and in answering the queries he minimized the fears of the political power that a board operating both roads could wield. He described three alternative plans for taking care of employees and causing the minimum displacement of labor, and indicated the belief that many benefits vainly sought under the present scheme of compulsory co-operation could be readily secured under unification with a minimum of disturbance and a maximum of gain.

The first way of lessening the displacement of labor under unification, said Sir Edward, would be to reduce the age of retirement of employees from 65 to 60 years of age. The second alternative would be to provide for an allowance over a period of years, and the third would be to extend the period within which the maximum economies could be secured.

Meetings and Conventions

The following list gives names of secretaries, date of next or regular meetings and places of meetings:

- AIR BRAKE ASSOCIATION.—R. P. Ives, Westinghouse Air Brake Co., 350 Fifth Ave., New York, N. Y.
- ALLIED RAILWAY SUPPLY ASSOCIATION.—J. F. Gettrust, 1108 New Post Office Bldg., Chicago, Ill.
- AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.—W. R. Curtis, F. T. R., M. & O. R. R., 327 S. La Salle St., Chicago, Ill.
- AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.—E. P. Soebbing, 1431-B Railway Exchange Bldg., St. Louis, Mo. Annual meeting, October 11-13, 1938, San Francisco, Cal.
- AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—B. D. Branch, C. R. R. of N. J., 143 Liberty St., New York, N. Y.
- AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—F. O. Whiteman, Union Station, St. Louis, Mo. Annual meeting June 7-9, 1938, Hotel Stevens, Chicago, Ill.
- AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.—E. A. Abbott, Poole Bros., Inc., 85 W. Harrison St., Chicago, Ill. Annual meeting, January 20-21, 1939, Philadelphia, Pa.
- AMERICAN ASSOCIATION OF SUPERINTENDENTS OF DINING CARS.—F. R. Borger, C. I. & L. Ry., 836 S. Federal St., Chicago, Ill. Annual meeting, October 10-12, 1938, St. Paul, Minn.
- AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—C. A. Lichty, 319 N. Waller Ave., Chicago, Ill. Annual meeting, October 18-20, 1938, Hotel Stevens, Chicago, Ill.
- AMERICAN RAILWAY CAR INSTITUTE.—W. C. Tabbert, 19 Rector St., New York, N. Y.
- AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—E. J. Hoddy (Second Vice-Pres.), Louisville & Nashville R. R., Louisville, Ky.
- AMERICAN RAILWAY ENGINEERING ASSOCIATION.—Works in co-operation with the Association of American Railroads, Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 14-16, 1939, Palmer House, Chicago, Ill.

AMERICAN RAILWAY MAGAZINE EDITORS' ASSOCIATION.—M. W. Jones, Baltimore & Ohio R. R., Mt. Royal Station, Baltimore, Md. Spring meeting, June 11, 1938, Hotel Neherland Plaza, Cincinnati, O.

AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.—G. G. Macina, C. M., St. P. & P. R. R., 11402 Calumet Ave., Chicago, Ill.

AMERICAN SHORT LINE RAILROAD ASSOCIATION.—R. E. Schindler, Union Trust Bldg., Washington, D. C. Annual meeting, October 17-18, 1938, Chicago, Ill.

AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—C. E. Davies, 29 W. 39th St., New York, N. Y. Semi-annual meeting, June 20-24, 1938, Hotel Statler, St. Louis, Mo. Annual meeting, December 5-9, 1938, 29 W. 39th St., New York, N. Y.

Railroad Division.—Marion B. Richardson, 21 Hazel Ave., Livingston, N. J.

AMERICAN TRANSIT ASSOCIATION.—Guy C. Hecker, 292 Madison Ave., New York, N. Y. Annual meeting, September 19-23, 1938, Auditorium, Atlantic City, N. J.

AMERICAN WOOD PRESERVERS' ASSOCIATION.—H. L. Dawson, 1427 Eye St., N. W., Washington, D. C. Annual meeting, January 24-26, 1939, Willard Hotel, Washington, D. C.

ASSOCIATION OF AMERICAN RAILROADS.—H. J. Forster, Transportation Bldg., Washington, D. C.

Operations and Maintenance Department.—J. M. Symes, Vice-President, Transportation Bldg., Washington, D. C.

Operating-Transportation Division.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.

Transportation Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.

Freight Station Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.

Operating Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.

Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.

Protective Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.

Safety Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.

Telegraph and Telephone Section.—W. A. Fairbanks, 30 Vesey St., New York, N. Y.

Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill.

Annual meeting, March 14-16, 1939, Palmer House, Chicago, Ill.

Construction and Maintenance Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 14-16, 1939, Palmer House, Chicago, Ill.

Electrical Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill.

Signal Section.—R. H. C. Balliet, 30 Vesey St., New York, N. Y.

Mechanical Division.—V. R. Hawthorne, 59 E. Van Buren St., Chicago, Ill.

Electrical Section.—J. A. Andreucetti, 59 E. Van Buren St., Chicago, Ill.

Purchases and Stores Division.—W. J. Farrell, 30 Vesey St., New York, N. Y.

Freight Claims Division.—Lewis Pilcher, 59 E. Van Buren St., Chicago, Ill.

Motor Transport Division.—George M. Campbell, Transportation Bldg., Washington, D. C.

Car-Service Division.—E. W. Coughlin, Transportation Bldg., Washington, D. C.

Finance, Accounting, Taxation and Valuation Department.—E. H. Bunnell, Vice-President, Transportation Bldg., Washington, D. C.

Accounting Division.—E. R. Ford, Transportation Bldg., Washington, D. C.

Treasury Division.—E. R. Ford, Transportation Bldg., Washington, D. C.

Traffic Department.—A. F. Cleveland, Vice-President, Transportation Bldg., Washington, D. C.

ASSOCIATION OF RAILWAY CLAIM AGENTS.—F. L. Johnson, Claim Agent, Alton R. R., 340 W. Harrison St., Chicago, Ill.

ASSOCIATION OF RAILWAY ELECTRICAL ENGINEERS.—(See Association of American Railroads, Mechanical Division.—Electrical Section.)

BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—W. S. Carlisle, National Lead Company, 900 W. 18th St., Chicago, Ill. Meets with American Railway Bridge and Building Association.

CANADIAN RAILWAY CLUB.—C. R. Crook, 4468 Oxford Ave., N. D. G., Montreal, Que.

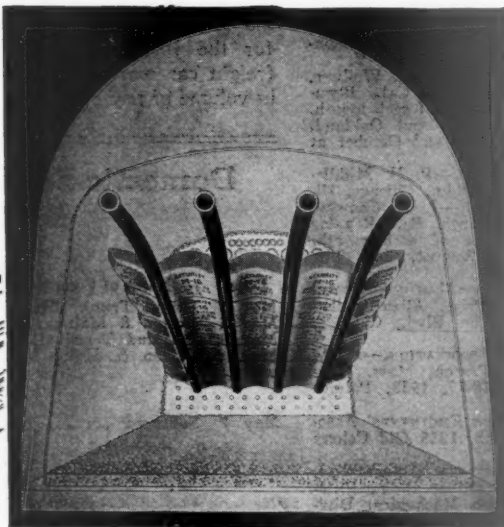
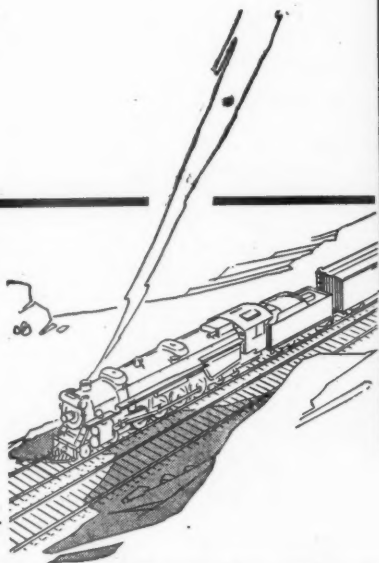
Regular meetings, second Monday of each month, except June, July and August, Windsor Hotel, Montreal, Que.

CAR DEPARTMENT ASSOCIATION OF ST. LOUIS, Mo.—J. J. Sheehan, 1101 Missouri Pacific Bldg., St. Louis, Mo. Regular meetings, third Tuesday of each month, except June, July and August, Hotel Mayfair, St. Louis, Mo.

Would you

SPEND \$1.00 FOR BRICK

TO SAVE \$10.00 IN COAL?



YOU ACCEPT locomotive arches as a matter of course; as a fundamental in locomotive design. But the Arch can only give you the full economy when each course and each arch brick is in place. Paring down the arch in an effort to save \$1.00 costs you \$10.00 for

the extra fuel wasted by the shortened arch.

» » » These proportions have been established by repeated tests on various types of motive power. So against any "saving" in arch brick expense by cutting down the arch, mark up \$10.00 on the loss side of the ledger.

**HARBISON-WALKER
REFRACTORIES CO.**

Refractory Specialists



**AMERICAN ARCH CO.
INCORPORATED**

60 EAST 42nd STREET, NEW YORK, N. Y.

*Locomotive Combustion
Specialists*

CAR DEPARTMENT OFFICERS' ASSOCIATION.—Frank Kartheiser, Chief Clerk, Mechanical Dept., C., B. & Q., Chicago, Ill.

CAR FOREMEN'S ASSOCIATION OF CHICAGO.—G. K. Oliver, 2514 W. 55th St., Chicago, Ill. Regular meetings, second Monday of each month, except June, July and August, La Salle Hotel, Chicago, Ill.

CENTRAL RAILWAY CLUB OF BUFFALO.—Mrs. M. D. Reed, 1817 Hotel Statler, McKinley Square, Buffalo, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.

EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.—J. T. Bougher, 424 W. 33rd St. (11th floor), New York, N. Y. Next meeting, September 29, 1938, New York, N. Y.

INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION.—F. T. James, General Foreman, Delaware, Lackawanna & Western, Kingsland, N. J.

INTERNATIONAL RAILWAY MASTER BLACKSMITHS' ASSOCIATION.—W. J. Mayer, Michigan Central R. R., Detroit, Mich.

MASTER BOILER MAKERS' ASSOCIATION.—A. F. Stiglmeier, 29 Parkwood St., Albany, N. Y.

NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.—Clyde S. Bailey, 806-808 13th and E Sts., N. W., Washington, D. C. Annual meeting, November 15-18, 1938, New Orleans, La.

NATIONAL RAILWAY APPLIANCES ASSOCIATION.—C. H. White, Room 1826, 208 S. LaSalle St., Chicago, Ill.

NEW ENGLAND RAILROAD CLUB.—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Touraine, Boston, Mass.

NEW YORK RAILROAD CLUB.—D. W. Pye, 30 Church St., New York, N. Y. Regular meetings, third Friday of each month, except June, July, August, September and December, 29 W. 39th St., New York, N. Y.

PACIFIC RAILWAY CLUB.—William S. Wollner, P. O. Box 3275, San Francisco, Cal. Regular meetings, second Thursday of each month, alternately at San Francisco and Oakland, except June at Los Angeles and October at Sacramento.

RAILWAY BUSINESS ASSOCIATION.—P. H. Middleton, First National Bank Bldg., Chicago, Ill.

RAILWAY CLUB OF PITTSBURGH.—J. D. Conway, 1941 Oliver Bldg., Pittsburgh, Pa. Regular meetings, fourth Thursday of each month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.

RAILWAY ELECTRICAL SUPPLY MANUFACTURERS' ASSOCIATION.—J. McC. Price, Allen-Bradley Company, 600 W. Jackson Blvd., Chicago, Ill.

RAILWAY FIRE PROTECTION ASSOCIATION.—P. A. Bisell, 40 Broad St., Boston, Mass. Annual meeting, October 18-19, 1938, Palmer House, Chicago, Ill.

RAILWAY FUEL AND TRAVELING ENGINEERS' ASSOCIATION.—T. Duff Smith, 1255 Old Colony Bldg., Chicago, Ill.

RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.—J. D. Conway, 1941 Oliver Bldg., Pittsburgh, Pa. To meet with Mechanical Division and Purchases and Stores Division, Association of American Railroads.

RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with Telegraph and Telephone Section of A. A. R.

RAILWAY TIE ASSOCIATION.—Roy M. Edmonds, 903 Syndicate Trust Bldg., St. Louis, Mo.

ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.—C. A. Lichty, 319 N. Waller Ave., Chicago, Ill. Annual meeting, September 20-22, 1938, Hotel Stevens, Chicago, Ill.

SIGNAL APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with A. A. R., Signal Section.

SOCIETY OF OFFICERS, UNITED ASSOCIATIONS OF RAILROAD VETERANS.—J. W. O'Neill, Delaware, Lackawanna & Western, Hoboken, N. J. Annual meeting, October 8, 1938, Chicago, Ill.

SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.—A. T. Miller, 4 Hunter St., S. E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta, Ga.

SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.—D. W. Brantley, C. of Ga. Ry., Savannah, Ga.

TORONTO RAILWAY CLUB.—D. M. George, P. O. Box 8, Terminal "A," Toronto, Ont. Regular meetings, fourth Monday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.

TRACK SUPPLY ASSOCIATION.—Lewis Thomas, Q. & C. Company, 59 E. Van Buren St., Chicago, Ill. Meets with Roadmasters' and Maintenance of Way Association.

WESTERN RAILWAY CLUB.—C. L. Emerson, C. M., St. P. & P., Chicago, Ill. Regular meetings, third Monday of each month, except June, July, August and September, Hotel Sherman, Chicago, Ill.

Equipment and Supplies

Car Orders Bright Spot in May Market

Total of 6,114 freight cars largest since May, 1937; 55 passenger cars purchased

The carriers ordered during May a total of 5 locomotives, 6,114 freight cars and 55 passenger-train cars. These figures show substantial improvement over orders for 3 locomotives, 3 freight cars and 1 passenger-train car placed during April.

The 5 locomotives ordered during the month bring the total for the year thus far to 44 units. Four of the locomotives ordered are of the Diesel-electric type and one carries a gas-mechanical drive.

May orders for 6,114 freight cars bring the total for this category of equipment for the year thus far to 6,933. May's freight car market was clearly the largest in volume of any month for the year, being

10,967 tons of rail for domestic service, which bring the total for the year thus far to 181,632 tons.

LOCOMOTIVES

THE MALAHAT LOGGING COMPANY, Vancouver, British Columbia, is inquiring for one oil-burning locomotive.

PASSENGER CARS

THE CANADIAN NATIONAL has taken delivery of five new mail and express cars, built by the Canadian Car & Foundry Co. These cars are similar to the 10 which were built for this road last year by the same builder.

Construction

CANADIAN NATIONAL.—This road has arranged with the Dominion Government of Canada to build new passenger stations at Saskatoon, Sask., and La Tuque, Que.

DELAWARE & HUDSON.—The New York Public Service Commission has amended its order for the elimination of the grade

Domestic Equipment Orders Reported in Issues of the Railway Age in May, 1938

LOCOMOTIVES

Date	Name of Company	No.	Type	Builder
May 7	Grand Trunk Western	2	Diesel-electric	Electro-Motive Corp.
May 21	Boston & Maine	1	Diesel-electric Sw.	American Locomotive Co.
May 21	Portland Terminal Co.	1	Diesel-electric Sw.	American Locomotive Co.
May 28	Boston & Maine	1	Gas-mechanical	Plymouth Locomotive Works

FREIGHT CARS

May 7	Southern	2,000	Box	Pullman-Standard
		1,000	Box	Mt. Vernon
		200	Furniture	Mt. Vernon
		50	M. T. gondola	Mt. Vernon
		1,250	H. S. gondola	American Car & Foundry
		700	L. S. gondola	Pressed Steel
		250	Stock	Ralston Steel
		100	Flat	Greenville Steel
May 14	Chicago, Milwaukee, St. Paul & Pacific	464	Flat	Company Shops
May 28	Missouri Pacific	100	Flat	Company Shops

PASSENGER-TRAIN CARS

May 14	Chicago, Milwaukee, St. Paul & Pacific	55		Company Shops
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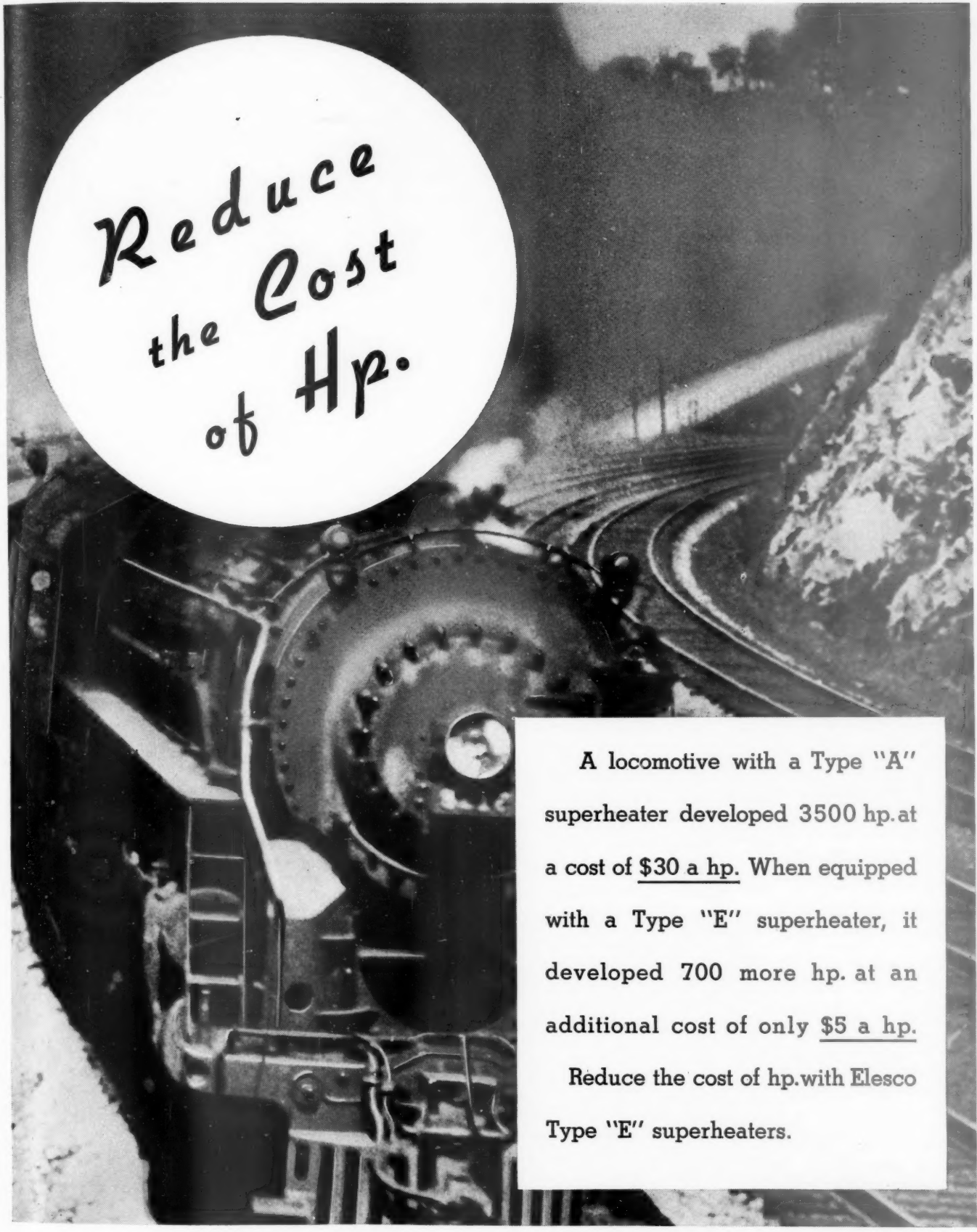
greatly in excess of the March total of 682 cars, the previous high-water mark of the year. Indeed, the May total is more than double the total for any month since May, 1937. This volume was due in large measure to the large-scale excursions made by the Southern into the car market during the month, evidenced by final reports of the purchase of a total of 5,550 cars.

The passenger-train car total for the month of 55 cars, an order for which was placed by the Milwaukee, is the largest passenger-car total for any month of the year and, in fact, exceeds that reported for any month since March, 1937. The total number of passenger-train cars ordered thus far now stands at 107.

Foreign carriers ordered 30 freight cars during the month from American builders, bringing the five-month total to 292 cars. Orders were placed with rolling mills for

crossings of this road in Ballston Spa, N. Y. The amended plan provides for the elimination of the crossings by the relocation of a portion of the main line of the railroad and a proposed road to connect the old county highway with a new county highway west of the railroad and a structure to carry the relocated railroad over the town road. It is estimated that the cost will be about \$892,450, which is \$113,000 less than under the original plan. See *Railway Age* of January 22, page 215.

WESTERN PACIFIC.—A contract totaling approximately \$120,000 has been awarded to Ryberg Bros., Salt Lake City, Utah, for the construction of housing facilities at various stations along the Keddie-Bieber line, and also for the construction of a telegraph office and living quarters at Mason, Cal.



*Reduce
the Cost
of Hp.*

A locomotive with a Type "A" superheater developed 3500 hp. at a cost of \$30 a hp. When equipped with a Type "E" superheater, it developed 700 more hp. at an additional cost of only \$5 a hp.

Reduce the cost of hp. with Elesco Type "E" superheaters.



A-1230

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Representative of AMERICAN THROTTLE COMPANY, INC.

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122 S. Michigan Ave., CHICAGO

Canada: THE SUPERHEATER COMPANY, LTD., MONTREAL

Superheaters • Exhaust Steam Injectors • Feed Water Heaters • American Throttles • Pyrometers • Steam Dryers

Supply Trade

N. B. Robbins has been appointed representative of the **Hunt-Spiller Manufacturing Corporation**, Boston, Mass., to fill the vacancy caused by the death of R. R. Wells.

W. R. Spiller has become affiliated with the **Timken-Detroit Axle Company**, Detroit, Mich., as sales engineer. Previous to his new appointment, Mr. Spiller was chief engineer of the White Motor Company, Cleveland, Ohio.

At a recent reorganization of **The Dayton Manufacturing Company**, Dayton, Ohio, the following officers were elected: **H. D. Hendrick**, president and general manager; **H. E. Knoll** and **E. W. Mink**, vice-presidents, all located at Dayton. **T. R. Sullivan**, eastern sales manager, New York City, has also been elected a vice-president, and a new office has been opened in the Transportation building, Chicago, with **Floyde Lego** in charge.

Financial

CENTRAL OF NEW JERSEY.—Wilkes-Barre & Scranton Bonds.—In the *Railway Age* of May 21, an item appeared under the heading "Central of New Jersey," telling of the extension of the maturity date of first mortgage bonds of this company. The item neglected to clarify the fact that the Lehigh Coal & Navigation Company is owner of the Wilkes-Barre & Scranton, the C. N. J.'s relationship to that being that of lessee.

CHESAPEAKE & OHIO.—Dividend.—Directors of this company have voted a dividend of 25 cents per share of common stock, contrasting with quarterly distributions of 75 cents voted on January 1 and April 1.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—Reorganization.—The Interstate Commerce Commission, Division 4, has authorized E. Stanley Glines, Morton H. Fry, W. Rodman Peabody, R. Harland Shaw and C. Oliver Wellington to serve as a protective committee for the holders of this company's five per cent 50-year mortgage gold bonds, series A, due February 1, 1975, in the reorganization proceedings of this company.

CHICAGO & NORTH WESTERN.—Abandonment.—Examiner R. Romero of the Interstate Commerce Commission, in a proposed report to the commission, has recommended that it authorize the trustee to abandon the Hot Springs branch extending from Buffalo Gap, S. Dak., to Hot Springs, 14.3 miles.

CHESAPEAKE & OHIO.—Annual Report.—The 1937 annual report of this company shows net income, after interest and other charges, of \$34,562,446, as compared with

net income of \$43,790,002 in 1936. Selected items from the income account follow:

	1937	1936	Increase or Decrease
Average Mileage Operated	3,103.97	3,106.03	-2.06
RAILWAY OPERATING REVENUES	\$127,346,701	\$135,538,279	-\$8,191,578
Maintenance of way	13,446,766	11,990,524	1,456,242
Maintenance of equipment	22,904,447	23,052,062	-147,614
Transportation	29,890,500	28,736,204	1,154,295
TOTAL OPERATING EXPENSES	72,529,159	70,014,489	2,514,670
Operating ratio	56.95	51.66	5.29
NET REVENUE FROM OPERATIONS	54,817,541	65,523,790	-10,706,248
Railway tax accruals	12,790,285	13,318,038	-527,753
Railway operating income	42,027,255	52,205,751	-10,178,495
Equipment rents—Net	1,872,657	1,995,004	-122,347
Joint facility rents—Net	1,285,462	1,465,893	180,430
NET RAILWAY OPERATING INCOME	42,614,450	52,734,862	-10,120,412
Other income	923,175	855,012	68,163
TOTAL INCOME	44,085,296	54,212,589	-10,127,293
Rent for leased road and equipment	50,215	50,155	59
Interest on debt	9,358,055	10,212,715	-854,659
NET INCOME	\$34,562,446	\$43,790,002	-\$9,227,556

MISSISSIPPI EXPORT.—Securities.—The Interstate Commerce Commission, Division 4, has authorized this company to issue from time to time \$25,000 of promissory notes, and to pledge and repledge as security for the notes \$100,000 of its first mortgage six per cent bonds.

PENNSYLVANIA.—New Director.—Thomas Newhall of Philadelphia, vice-president of the Penn Mutual Life Insurance Company, has been elected a director of this company succeeding Percival Roberts, Jr., resigned.

Average Prices of Stocks and Bonds

	May 31	Last week	Last year
Average price of 20 representative railway stocks..	21.44	22.36	54.45
Average price of 20 representative railway bonds..	55.51	56.90	80.30

Dividends Declared

Albany & Susquehanna.—\$4.50, semi-annually, payable July 1 to holders of record June 15.
 Boston & Albany.—\$2.50, payable June 30 to holders of record May 31.
 Dayton & Michigan.—8 Per Cent Preferred, \$1.00, quarterly, payable July 5 to holders of record June 15.
 Erie & Pittsburgh.—87½¢, payable June 10 to holders of record May 31.
 Kansas, Oklahoma & Gulf.—Series A 6 Per Cent Cumulative Preferred, \$3.00; Series B 6 Per Cent Non-cumulative preferred; Series C 6 Per Cent Non-cumulative Preferred, all payable June 1 to holders of record May 24.
 New York, Lackawanna & Western.—\$1.25, quarterly, payable July 1 to holders of record June 10.
 Union Pacific.—\$1.50, payable July 1 to holders of record June 3.

Railway Officers

EXECUTIVE

George A. Tomlinson, of Cleveland, Ohio, was elected chairman of the board of the Pere Marquette on May 31, succeeding **Herbert C. Fitzpatrick**.

Darwin S. Barrett, Jr., of Cleveland, Ohio, was elected vice-president of the Chesapeake & Ohio at a meeting of the board of directors on May 31.

Robert R. Young, chairman of the Alleghany and Chesapeake corporations, who last year became the controlling figure in the Van Sweringen rail empire through control of the Alleghany Corporation, was elected chairman of the board of the New York, Chicago & St. Louis on May 31. Mr. Young's election to this position fills a vacancy that has existed since the death of M. J. Van Sweringen in 1935.

FINANCIAL, LEGAL AND ACCOUNTING

A. C. Scott, has been appointed assistant general attorney on the Chicago, Burlington & Quincy, with headquarters at Chicago. **S. F. Blanc** has been appointed attorney for the Eastern district, with headquarters at Chicago. **J. W. Weingarten** has been appointed attorney for the Central district, with headquarters at Omaha, Neb., and **J. L. Rice** has been appointed attorney for the Western district, with headquarters at Denver, Col. These appointments will be effective July 1.

Clenmore A. Andrews, general auditor of the Lehigh & New England, with headquarters at Bethlehem, Pa., has been elected comptroller with the same headquarters. The position of general auditor



C. A. Andrews

has been abolished. Mr. Andrews was born on October 3, 1883, at Walnutport, Pa., and received his education in the public schools of Pennsylvania and Eastman Business College, Poughkeepsie, N. Y., graduating from the latter institution in 1901. He entered railroad service the

10 Alco Diesel Switchers

FOR THE NEW HAVEN

7 YEARS' EXPERIENCE justified their purchase... The New Haven has been operating an Alco Diesel Switcher since 1931... Seven years' experience has proven to the New Haven, beyond any question of doubt, the low operating and maintenance costs of the Alco Diesel in continuous service... This fleet of ten Alco Diesels operating in the New Haven's Boston Terminal will show a handsome return on the investment. And of almost equal importance will be the improved service, which in turn means more satisfied shippers.



AMERICAN LOCOMOTIVE COMPANY
36 CHURCH STREET NEW YORK N.Y.

same year as stenographer and clerk in the traffic department of the Philadelphia & Reading (now Reading) at Philadelphia, Pa. Mr. Andrews entered the employ of the Lehigh & New England in February, 1913, serving in various clerical and accounting positions. He was appointed auditor in September, 1926, and general auditor in January, 1928, holding the latter position up to the time of his election by the Board of Directors on May 26 to the position of comptroller.

W. R. Pitt has been appointed auditor of disbursements of the Baltimore & Ohio, with headquarters at Baltimore, Md., as announced in the *Railway Age* of May 14. Mr. Pitt was born on June 4, 1874,



W. R. Pitt

in Howard County, Md., and attended Baltimore public schools and business college. He entered the service of the Baltimore & Ohio on January 19, 1890, as messenger at the Mt. Clare stores department. He became clerk in 1891, assistant storekeeper at Bailey's in 1893, stenographer at Mt. Clare in 1895, and clerk in the motive power department in 1899. In 1901 Mr. Pitt went to Newark, Ohio, as assistant chief clerk, and in 1904 was stationed at Glenwood, Pa., as shop clerk. He went with the Washington Terminal Company in 1907, returning to the Baltimore & Ohio in November, 1912 as inspector of accounts. In 1915 Mr. Pitt was appointed special accountant, which position he held until April, 1936, when he became assistant auditor of disbursements, the position he held until his appointment as auditor of disbursements.

OPERATING

A. E. Lloyd, division superintendent of the Chicago Terminal district of the New York Central, has been promoted to assistant general manager of the Lines, Buffalo and West, and of the Ohio Central lines, with headquarters at Cleveland, Ohio, succeeding **Ernest Thwaites**, who retired on May 31.

T. L. Green, assistant superintendent on the New York Central at Chicago, has been promoted to superintendent of the Chicago Terminal district to succeed **A. E. Lloyd**, whose promotion to assistant general manager is announced elsewhere in these columns. **F. H. Garner**, trainmaster

at Elkhart, Ind., has been advanced to assistant superintendent at Chicago, replacing Mr. Green, and **J. W. Crowley**, general yardmaster at Englewood, Ill., has been promoted to trainmaster at Elkhart, relieving Mr. Garner. These appointments were effective June 1.

E. B. Kysh, supervisor of wages of the Southern Pacific Lines in Texas and Louisiana, with headquarters at Houston, Tex., has been appointed assistant to general manager, succeeding **M. L. Cook**, who has resigned. **T. S. Stewart**, trainmaster at El Paso, Texas, has been appointed supervisor of wages, succeeding Mr. Kysh. **L. B. Church**, trainmaster at New Orleans, La., has been transferred in the same capacity to Houston, succeeding **L. F. Tadlock**, who has been transferred to El Paso, to succeed Mr. Stewart. **R. F. Wills**, roadmaster at New Orleans, La., has been appointed trainmaster there to succeed Mr. Church.

R. Hayes has been appointed superintendent of the Hornepayne division of the Canadian National, with headquarters at Hornepayne, Ont., succeeding **A. F. Sharpe**, who has been transferred in the same capacity to the St. Thomas division. **O. W. Duff**, superintendent at St. Thomas, Que., has been transferred in the same capacity to the Belleville division. **G. A. Stokes**, superintendent at Belleville, Ont., has been transferred to the London division, with headquarters at London, Ont., succeeding **W. J. Piggott**, who has retired on pension. Mr. Piggott was born on November 24, 1871, at Point Edward, Ont., entered railway service in May, 1888, and served until 1892, as telegraph operator for the Grand Trunk (Canadian National). From 1892 to 1904, Mr. Piggott was dispatcher; from 1904 to 1910, chief dispatcher; and from 1910 to 1920, trainmaster. Mr. Piggott was appointed superintendent at London in 1920, the position he held until his retirement.

T. D. Beven, whose promotion to superintendent of the East St. Louis terminal on the Illinois Central was announced in the May 21 issue of the *Railway Age*,



T. D. Beven

was born at McComb, Miss., on December 23, 1898, and entered railway service on January 8, 1912, as a messenger and clerk on the Illinois Central. He resigned on February 5, 1914, to go with the Santa Fe

at Houston, Tex., but returned to the Illinois Central on September 15, 1916. On May 15, 1917, he joined the U. S. Marines and served with them until May 1, 1920, when he was mustered out as a first lieutenant. After the war, Mr. Beven re-entered the service of the Illinois Central as a clerk and switchman at McComb, and was promoted to night yardmaster at Jackson, Miss., in 1924. He was promoted to general yardmaster at Hattiesburg, Miss., in 1926, and to trainmaster on the Memphis division on July 15, 1929. On June 1, 1935, he was appointed trainmaster at Paducah, Ky., the position he held at the time of his recent promotion.

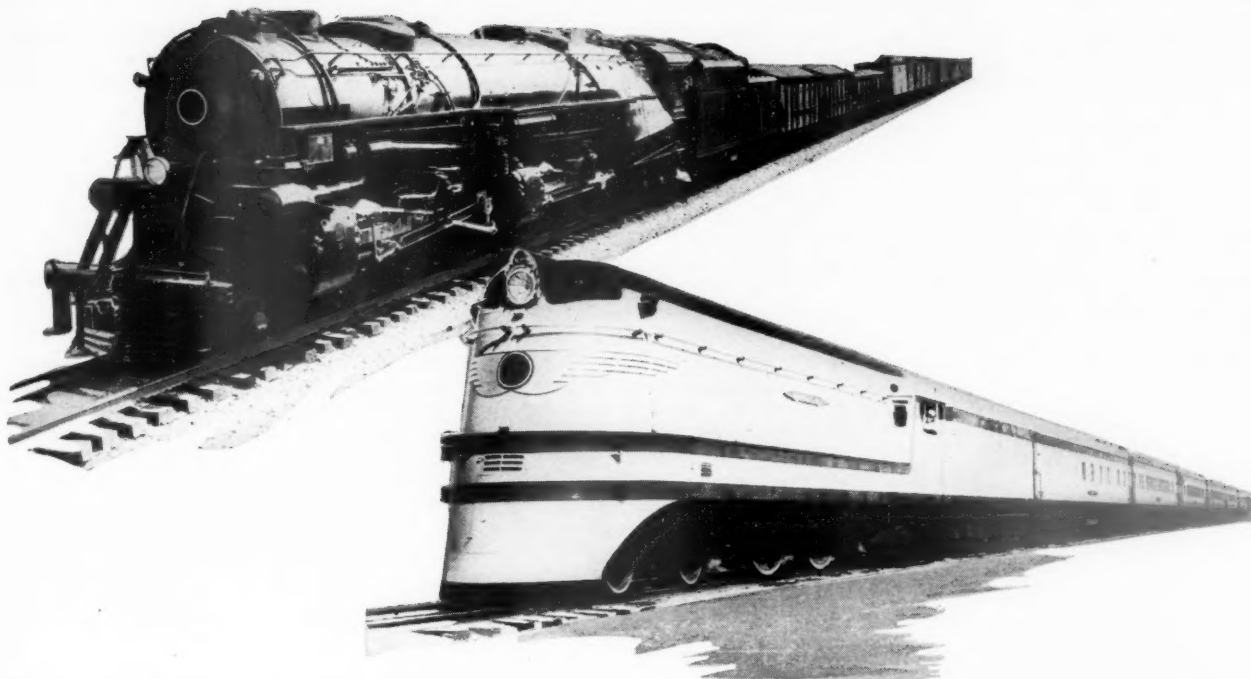
P. H. Fox, assistant superintendent on the Canadian National at Ottawa, Ont., has been appointed superintendent of the Allandale division, with headquarters at Allandale, Ont., succeeding **J. A. Rogers**, who has been transferred in the same capacity to the Ottawa division, at Ottawa, Ont., succeeding **Alexander B. McNaughton**, who has retired after many years of service. Mr. McNaughton was born on November 10, 1878, at Arnprior, Ont., and attended the public schools and Ottawa Commercial College, 1893. He entered railway service in July, 1893, in the telegraph service of the Canada Atlantic (now C. N. R.) at Ottawa, which position he held until January, 1894, when he became brakeman. From 1898 to 1907 he was conductor for the same road; from 1907 to 1918, general yardmaster Ottawa terminals, Grand Trunk (now part of C. N. R.); and from 1918 to 1923, superintendent, Grand Trunk Lines in New England, at Portland, Me. In 1923, when consolidation of various roads took place under the name of Canadian National, he became superintendent at Richmond, Que., of the Portland division of the Grand Trunk lines in New England and the Canadian National lines in Quebec. In December, 1927, Mr. McNaughton was appointed superintendent of the St. Lawrence division at Montreal, Que., the position he held until September 1, 1932, when he was transferred to Ottawa.

TRAFFIC

The Norfolk & Western division freight agency at Bluefield, W. Va., has been abolished, and the territory embraced in that agency has been assigned to **W. E. Burnett**, division freight agent at Roanoke, Va.

G. Murray Campbell, assistant coal traffic manager of the Baltimore & Ohio, with headquarters at Baltimore, Md., has been appointed coal traffic manager of the system, succeeding **H. A. Cochran**, who has voluntarily retired after 41 years of service.

Aubrey O'Herron, division freight agent on the Chesapeake & Ohio at Richmond, Va., has been promoted to general eastern agent of that road and of the Pere Marquette at New York, succeeding **James Harris**, who died on May 14. **W. Lynn Bailes**, general agent at Pittsburgh, Pa., for the Chesapeake & Ohio and the Pere Marquette, has been promoted to division freight agent on the Chesapeake &



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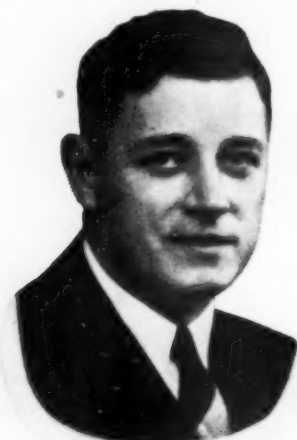
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Ohio, with headquarters at Richmond, replacing Mr. O'Herron. **T. A. Burtis**, traveling agent on the Pere Marquette at New York, has been promoted to general agent at Pittsburgh, relieving Mr. Bailes. These appointments were effective June 1.

A. E. Ladwig, whose promotion to general freight agent of the Chicago & North Western at Chicago was announced in the May 28 issue of the *Railway Age*, started his railroad career on June 1, 1907, in the freight traffic department of the North Western. On January 1, 1917, he was promoted to soliciting agent at Chicago



A. E. Ladwig

and on April 1, 1920, he was appointed traveling agent in the freight department. Mr. Ladwig was promoted to general agent at Detroit, Mich., on October 1, 1920, and on January 24, 1928, he was promoted to division freight and passenger agent, with headquarters at Milwaukee, Wis., holding that position until his recent promotion.

James E. Carter, general freight agent for the Central district of the Southern Pacific, with headquarters at Houston, Tex., has been promoted to assistant freight traffic manager with the same headquarters. **W. H. Stakelum**, assistant general freight agent at New Orleans, La.,



James E. Carter

has been promoted to general freight agent, Central district, at Houston to succeed Mr. Carter, and **Joseph Spear**, district freight and passenger agent at Lake Charles, La., has been promoted to assistant general

freight agent at New Orleans, replacing Mr. Stakelum. **O. E. Corey** has been appointed assistant general freight agent at Houston. These appointments were effective June 1.

Mr. Carter was born at New Iberia, La., on August 17, 1889, and entered railroad service as a car checker on the Texas & New Orleans (now a part of the Texas and Louisiana lines of the Southern Pacific). He later served successively as a telegraph operator, clerk, local freight agent, traveling freight and passenger agent, and traveling auditor. In June, 1918, he was promoted to train dispatcher at Lafayette, La., and in March, 1920, he was appointed assistant general freight and passenger agent at Lake Charles, La. He was appointed assistant general freight agent at Houston on July 1, 1928, and on February 1, 1931, he was promoted to assistant traffic manager at Houston. On February 1, 1936, he was appointed general freight agent, Central district, with headquarters as before at Houston, the position he has held until his recent promotion.

ENGINEERING AND SIGNALING

G. W. Varnum, office engineer in the office of the valuation engineer of the Atchison, Topeka & Santa Fe at Los Angeles, Cal., has been promoted to valuation engineer at that point, succeeding **J. B. Skeen**, whose death was reported in the April 9 issue of *Railway Age*.

MECHANICAL

George R. Williams, road foreman of engines on the Union Pacific, has been promoted to fuel engineer, with headquarters at Omaha, Neb., succeeding **G. H. Likert**, who retired on June 1.

G. T. Strong, assistant superintendent motive power of the Virginian, with headquarters at Princeton, W. Va., has been appointed superintendent motive power, with the same headquarters, succeeding **J. W. Sasser**, who has been relieved of the duties of that position at his own request and has been appointed consulting superintendent motive power, with headquarters at Norfolk, Va. **F. C. Holton**, mechanical engineer at Princeton, has been appointed assistant superintendent motive power, with the same headquarters.

SPECIAL

Fred Johnson, division special agent on the Chicago Great Western, with headquarters at Des Moines, Iowa, and with jurisdiction over the Illinois and Iowa divisions, was promoted on June 1, to chief special agent, with headquarters as before at Des Moines and with jurisdiction over the entire system.

Roy Pope, agent of the Southern Freight Tariff Bureau, Atlanta, Ga., has been elected secretary of the Southern Freight Association, to succeed **L. E. Chalenor**, who has retired under the Railroad Retirement Act, after continuous service for 56 years, the last 22 of which have been in connection with Association work in Atlanta. **Wade D. Cook**, assistant general freight agent of the Illinois

Central, with headquarters at Atlanta, has been elected a member of the Standing Rate Committee, to succeed **E. K. Bryan**, retired.

OBITUARY

Harry W. Steinhoff, general agent for the Chicago, Milwaukee, St. Paul & Pacific at Detroit, Mich., died on May 28.

Dan Orr, formerly superintendent on the Atchison, Topeka & Santa Fe at La Junta, Col., who retired last year, died on May 30.

Harry C. Goodrich, chief engineer of the Bingham & Garfield, with headquarters at Salt Lake City, Utah, died at that point on April 20.

Archibald M. Watt, former master mechanic of the British Columbia division of the Canadian National, with headquarters at Prince George, B. C., died on May 25. Mr. Watt was 65 years old and had retired about a year ago after 46 years of service.

Rush Nycum Harry, retired treasurer of the New York Central system, died at his home in Bedford Hills, N. Y., on May 29, following an illness of eight months. He was born on June 9, 1866, at Bedford, Pa., and was graduated from Lafayette College, Easton, Pa. Mr. Harry entered the service of the New York Central & Hudson River (now New York Central) in 1889 and on November 1, 1909, he was appointed local treasurer of the Cleveland, Cincinnati, Chicago & St. Louis at Cincinnati, Ohio. On March 1, 1920, he was appointed treasurer of that company under federal control. On April 2, 1925, Mr. Harry was appointed assistant general treasurer of the New York Central lines and on July 1, 1932, became assistant treasurer of the New York Central lines. He was appointed treasurer of the several companies comprising the New York Central system on August 29, 1934, the position he held until his retirement on October 31, 1937.

Henry Wheeler de Forest, director and member of the executive committee of the Southern Pacific, died on May 28 at his estate in Cold Spring Harbor, N. Y., after a long illness. He was 82 years old. Mr. de Forest was born on October 29, 1855, at New York, and was educated at Yale and Columbia universities, receiving his Bachelor degree at the former in 1876 and his law degree from the latter institution in 1878. He became a director and member of the executive committee of the Southern Pacific in 1906 and in 1916 he was elected also a vice-president. He continued in both capacities until 1925 when he became chairman of the executive committee. On January 1, 1929, he resigned from the latter position to become chairman of the board. In 1932 he relinquished the chairmanship but continued as a director and member of the executive committee. Mr. de Forest was also for many years a director and a member of the executive committee of the Illinois Central, and a director of the American Railway Express Company, the Western Union Telegraph Company and several other railways and financial institutions.